15A NCAC 05H .XXX1 WELL SPACING & DRILLING UNIT REQUIREMENTS

(a) For the purposes of this rule, all wells drilled for oil or gas exploration and production shall conform to the well spacing and drilling unit requirements in accordance with §113-391.

History Note: *Authority*
Eff.

15A NCAC 05H .XXX2 DEFINITIONS

(1) "Drilling unit" means the area which can be efficiently and economically drained by one or more wells - **15A NCAC 05D .0103**.

(2) "Field" shall mean the general area which is underlain or appears to be underlain by at least one pool; and "field" shall include the underground reservoir or reservoirs containing crude petroleum oil or natural gas, or both – **SL 2012-143**.

(3) "Pooled drilling unit" means one or more tracts of land that are consolidated and operated as a single tract for production of oil or gas either by voluntary agreement or by order of the Department - **15A NCAC 05D .0103**.

(4) "Protection of correlative rights of equity" means that action or regulation by the Department which affords a reasonable opportunity to each person entitled thereto to recover or receive the oil or gas under his tract or tracts without being required to drill unnecessary wells or incur unnecessary expenses to recover such oil or gas - **15A NCAC 05D .0103**.

(5) "Well spacing" means the pattern of minimum distances on the surface from lease boundary lines and from other wells drilling to or producible from the same pool - **15A NCAC 05D .0103**.

History Note: *Authority*
Eff.

15A NCAC 05H .XXX3 WELL SPACING

(a) The Department shall not issue a permit for the drilling of a new well, the reopening of an existing well, or the deepening or plugging back of an existing well to a different pool for the production of oil or gas unless the proposed well location and spacing conform to the rules in this Section.

(b) The permittee shall not drill a well deeper than the proposed total depth without prior approval from the Department.

(c) Wells drilled within unconventional resources shall be located:

(1) On a tract, or drilling unit, containing a minimum of 640 acres of contiguous land;

(2) Not less than XXX feet from any drilling unit boundary line;

(3) Not less than XXX feet from any well drilling to, producing from, or capable of producing from the same pool;

Comment [RC1]: 5D rules will be discussed and provided as handout for Committee members.

Comment [RC2]: "Tract" means a single, individually taxed parcel of land appearing on the tax list.

Comment [RC3]: Drilling unit boundary line spacing:
1. Ohio – 500 feet
2. Colorado – 600 feet
3. Arkansas – 560 feet
4. Pennsylvania – 330 feet

Comment [RC4]: Wellbore spacing:
1. Colorado – 1200 feet
2. Arkansas – 560 feet
3. Texas – 1,200 feet (Commission may grant exceptions)

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(4) Not less than 500 feet from any diabase dike, diabase sill, or fault; and

(5) To not conflict with a spacing or pooling order;

(d) The allowable of such off pattern wells may be adjusted to protect the correlative rights of offset operators and land owners and to conserve the resource.

History Note: *Authority*
Eff.

15A NCAC 05H .XXX4 DRILLING UNITS

(a) Upon completion of a discovery well within a new pool or reservoir, the Commission shall consider and adopt well spacing and drilling units to include:

(1) The size of the drilling unit based on the maximum area which may be drained efficiently and economically by one or more wells;

(2) Method of determining total allowable for the pool;

(3) Method of allocating and distributing total allowable among various separate permittees on pooled units so that correlative rights and equity will be protected; and

(4) Minimum distance from separate permittees or pooled units and between wells to the same reservoir.

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History Note: *Authority*
Eff.

Comment [WH5]: AOG may want to consider a size limit or a limit of mapping size/scale of these geological features.

Comment [RC6]: "Pool" means an underground reservoir containing a common accumulation of oil or gas, or both, not in communication laterally or vertically with another accumulation of oil or gas – Pennsylvania

Comment [RC7]:
Pennsylvania: Spacing orders are issued by the Department of Environmental Protection.

Permittee applies for a spacing order after drilling one or more wells to establish the existence of a pool and includes the following information:
1. Depth of producing zone and formation name;
2. A plat showing the location of each well drilled and the proposed area to be included in the order;
3. Identify what the wells are producing (oil or gas);
4. One spacing order may not exceed an area of 10 square miles; and
5. Application fee of $1,000.

Permittee is required to identify on the permit application to drill and operate an unconventional well if the well location is within an area covered by a spacing order.

Colorado: Permittee petitions Colorado Oil & Gas Conservation Commission (COGCC) for a horizontal wellbore spacing unit in accordance with Rule 318A. Written request includes the following:
1. Wellbore orientation
2. Anticipated spud date
3. Size and shape of proposed wellbore spacing unit
4. Proposed surface and bottom hole locations
5. Identified by footage descriptions
6. Survey plat

Upon COGCC approval of the spacing unit, the permittee may apply for a permit to drill via Form 2.

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