

REQUIREMENTS FOR IDLE WELL TESTING AND MANAGEMENT

TEXT OF PROPOSED REGULATIONS

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CALIFORNIA CODE OF REGULATIONS, TITLE 14 DIVISION 2. DEPARTMENT OF CONSERVATION CHAPTER 4. DEVELOPMENT, REGULATION, AND CONSERVATION OF OIL AND GAS RESOURCES

Subchapter 1. Onshore Well Regulation

Article 3. Requirements

1723.9. Testing of Idle Wells

~~Any well that has not produced oil or natural gas or been used for fluid injection for a continuous six-month period during any consecutive five-year period, prior to after the adoption of this regulation, must have either the fluid level determined using acoustical, mechanical, or other reliable methods, or other diagnostic tests as approved by the Supervisor. Additional well tests or remedial operations may be required if the fluid level is located above or adjacent to freshwater or freshwater or potential drinking water zones, or as specified by the appropriate Division district deputy. Subsequent testing periods shall be based on the fluid level in the well, the well's location in relation to freshwater zones, mitigation measures taken by the operator to prevent fluid migration, or other factors determined by the appropriate Division district deputy, upon a showing of good cause. The appropriate district office shall be notified before tests are made, as a Division inspector may witness the operations. Operators shall comply with all of the requirements in Section 1772.1 for the testing of idle wells.~~
Operators shall comply with all of the requirements in Section 1772.1 for the testing of idle wells.

Note: Authority cited: Section 3013, Public Resources Code. Reference: Sections 3106 and 3206.1, Public Resources Code.

Subchapter 2. Environmental Protection

Article 1. General

1752. Wells Partially Plugged

- (a) Operators shall obtain approval from the Division prior to partially plugging a well.
- (b) The operator shall adhere to the following requirements when partially plugging a well:
- (1) Proper hole-fluids shall be placed in the well consistent with Section 1723(b);
- (2) All oil, gas and disposal zones shall be isolated with cement in accordance with the requirements of Section 1723.1;
- (3) All USDWs and freshwaters shall be isolated with cement in accordance with Section 1723.2; and
- (4) All USDWs shall be isolated with cement.
- (c) The operator of a well that has been partially plugged shall conduct a pressure test of the casing of the well within 60 months of the effective date of this section or when the partially plugged well becomes a long-term idle well, whichever is later, and at least once every 60 months thereafter. If an operator has a long-term idle well that has been partially plugged for more than 60 months on the effective date of this section, then the operator shall conduct a pressure test of the casing within 12 months of the effective date of this section.
- (d) Pressure testing required under this section shall be conducted at a pressure of at least 200 psi above surface pressure and in accordance with the parameters specified in Section 1772.1.1.

NOTE: Authority cited: Section 3013, Public Resources Code. Reference: Section 3106 and 3206.1, Public Resources Code.

Article 2. Definitions

1760. Definitions

The following definitions are applicable to this subchapter:

- (a) "Alteration" of a production facility means any action that changes by more than ten percent the total processing capacity, or storage volume of the production facilities within a given secondary containment. "Alteration" does not include activities such as maintenance, replacement, or minor modification of production facilities, or installation of temporary production facilities.
- (b) "Catch basin" means a dry sump that is constructed to protect against unplanned overflow conditions.

(c) “Decommission” means to safely dismantle and remove a production facility and to restore the site where it was located in accordance with Sections 1775 and 1776(f).

(d) “Designated waterways” means any named perennial or ephemeral waterways or any perennial waterways shown as solid blue lines on United States Geological Survey topographic maps and any ephemeral waterways that the Supervisor determines to have a direct impact on perennial waterways.

(e) “Environmentally sensitive” means any of the following:

(1) A production facility within 300 feet of any public recreational area, or a building intended for human occupancy that is not necessary to the operation of the production operation, such as residences, schools, hospitals, and businesses.

(2) A production facility within 200 feet of any officially recognized wildlife preserve or environmentally sensitive habitat that is designated on a United States Geological Survey topographical map, designated waterways, or other surface waters such as lakes, reservoirs, rivers, canals, creeks, or other water bodies that contain water throughout the year.

(3) A production facility within the coastal zone as defined in Section 30103(b) of the Public Resources Code.

(4) Any production facility which the Supervisor determines may be a significant potential threat to life, health, property, or natural resources in the event of a leak, or that has a history of chronic leaks.

(f) “Field” means the general surface area that is underlain or reasonably appears to be underlain by an underground accumulation of crude oil or natural gas, or both. The surface area is delineated by the administrative boundaries shown on maps maintained by the Supervisor.

(g) “Flowline” or “injection line” mean any pipeline that connects a well with a gathering line or header.

(h) “Gathering line” means a pipeline (independent of size) that transports liquid hydrocarbons between any of the following: multiple wells, a testing facility, a treating and production facility, a storage facility, or a custody transfer facility.

(i) “Header” means a chamber from which fluid is distributed to or from smaller pipelines.

(j) “Idle well” means any well that for a period of 24 consecutive months has not either produced oil or natural gas, produced water to be used in production stimulation, or been used for enhanced oil recovery, reservoir pressure management, or injection. For the purpose of determining whether a well is an idle well, production or injection is subject to verification by the Division. An idle well continues to be an idle well until it has been properly abandoned in accordance with Section 3208 or it has been shown to the Division's satisfaction that, since the well became an idle well, the well has for a continuous six-month period either maintained production of oil or natural gas, maintained production of water used in production stimulation, or been used for enhanced oil recovery, reservoir pressure management, or injection. An idle well does not include an active observation well.

(k) “Long-term idle well” means any well that has been an idle well for eight or more years.

~~(j)~~(l) “Pipeline” means a tube, usually cylindrical, with a cross sectional area greater than 0.8 square inches (1 inch nominal diameter), through which crude oil, liquid hydrocarbons, combustible gases, and/or produced water flows from one point to another within the administrative boundaries of an oil or gas field. Pipelines under the State Fire Marshall jurisdiction, as specified by the Elder Pipeline Safety Act of 1981 (commencing with § 51010 of the Government Code, and the regulations promulgated thereunder) are exempt from this definition.

~~(k)~~(m) “Production facility” means any equipment attendant to oil and gas production or injection operations including, but not limited to, tanks, flowlines, headers, gathering lines, wellheads, heater treaters, pumps, valves, compressors, injection equipment, production safety systems, separators, manifolds, and pipelines that are not under the jurisdiction of the State Fire Marshal pursuant to Section 51010 of the Government Code, excluding fire suppression equipment.

~~(l)~~(n) “Out-of-Service” means any production facility that become incapable of containing fluid safely or cannot be shown to operate as designed.

~~(m)~~(o) “In-Service” means any production facility that is capable of containing fluid safely and can be shown to operate as designed.

~~(n)~~(p) “Secondary containment” means an engineered impoundment, such as a catch basin, which can include natural topographical features, that is designed to capture fluid released from a production facility.

~~(o)~~(q) “Sump” means an open pit or excavation serving as a receptacle for collecting and/or storing fluids such as mud, hydrocarbons, or waste waters attendant to oil or gas field drilling or producing operations.

(1) “Drilling sump” means a sump used in conjunction with well drilling operations.

(2) “Evaporation sump” means a sump containing fresh or saline water which can properly be used to store such waters for evaporation.

(3) “Operations sump” means a sump used in conjunction with an abandonment or rework operation.

~~(p)~~(r) “Urban area” means a cohesive area of at least twenty-five business establishments, residences, or combination thereof, the perimeter of which is 300 feet beyond the outer limits of the outermost structures.

(s) “Underground source of drinking water” or “USDW” means an aquifer or its portion which has not been approved by the United States Environmental Protection Agency as an exempted aquifer pursuant to the Code of Federal Regulations, title 40, section 144.7, and which:

(1) Supplies a public water system, as defined in Health and Safety Code section 116275; or

(2) Contains a sufficient quantity of groundwater to supply a public water system, as defined in Health and Safety Code section 116275; and

(A) Currently supplies drinking water for human consumption; or

(B) Contains fewer than 10,000 mg/L TDS.

~~(q)~~(t) “Urban pipeline” means that portion of any pipeline within an urban area as defined in this section.

~~(r)~~(u) “Waste water” means produced water that after being separated from the produced oil may be of such quality that discharge requirements need to be set by a California Regional Water Quality Control Board.

NOTE: Authority cited: Sections 3013, 3270 and 3782, Public Resources Code. Reference: Sections 3008, 3010, 3106, 3270 and 3782, Public Resources Code.

1772. Idle Well Inventory and Evaluation

(a) Operators shall submit an Idle Well Inventory and Evaluation to the Division that provides all of the following information for each of the operator’s idle wells:

(1) The date that the well was completed;

(2) Identification of any surface obstacles or impediments on the surface preventing access to an idle well;

(3) The history of mechanical integrity testing for the idle well with any failed pressure tests clearly flagged;

(4) Whether the idle well penetrates a USDW;

(5) Whether the idle well indicates any pressure at the surface;

(6) Whether the idle well is a critical well, is in an urban area, or has an environmentally sensitive wellhead;

(7) Whether the idle well is in an area that is prone to subsidence or landslides;

(8) Indication of downhole issues with the idle well that would make it difficult to either reactivate the well or plug and abandon the well, such as collapsed casing or fish; and

(9) Whether the idle well is partially plugged in accordance with Section 1752.

(b) Operators shall submit their Idle Well Inventory and Evaluation to the Division in a digital format within one year of the effective date of this section or one year of becoming the operator of an idle well, whichever comes later. The Division may allow additional time for submittal of the Idle Well Inventory and Evaluation on a case-by-case basis based on the operator’s total number of idle wells and particular obstacles the operator faces in compiling the information. Unless requested by the Division, information that has previously been submitted to the Division is not required to be resubmitted. After initial submission, operators shall update their Idle Well Inventory and Evaluation annually and submit it to the Division by January 31 of each year.

(c) Operators implementing an Idle Well Management Plan filed under Public Resources Code section 3206, subdivision (a)(2), should prioritize wells according to the factors in subdivision (a), as well as any other factors that may present a risk to public health or safety or to the environment.

NOTE: Authority cited: Section 3013 and 3206.1, Public Resources Code. Reference: Sections 3106, 3206 and 3206.1, Public Resources Code.

1772.1. Testing of Idle Wells

(a) Operators shall test each of their idle wells as follows:

(1) Within 24 months of a well becoming an idle well, the operator shall conduct a fluid-level test for all idle wells using acoustical, mechanical, or other reliable methods, or other diagnostic tests approved by the Supervisor to determine whether the fluid is above the base of a known USDW. The operator shall repeat testing at least once every 24 months for as long as the well is an idle well unless the operator demonstrates to the Division's satisfaction that the wellbore is outside of one-half mile of a USDW, in which case the operator shall repeat the test once every 60 months for as long as the well is an idle well.

(2) Within 24 months of a well becoming an idle well, or within 90 days of the first time that a fluid level test indicates that the fluid level in the well is above a USDW, whichever is sooner, the operator shall conduct a casing pressure test from the surface to 500 feet below the base of the USDW, or at least to a depth that is 100 feet from the uppermost perforation or the casing shoe of the deepest cement casing. The pressure test shall be conducted at a pressure of at least 200 psi above surface pressure and in accordance with the parameters specified in Section 1772.1.1. If for any reason a well cannot be safely and effectively pressure tested as required, then the well shall be deemed to have failed the pressure test. If a well fails the pressure testing required under this subdivision, then, within a timeframe appropriate to the circumstances and acceptable to the Division, the integrity of the well shall be demonstrated to the Division's satisfaction, either by subsequent testing or by remediation of the well and subsequent testing. Subsequent casing pressure tests shall be conducted as follows:

(A) If the operator conducts the pressure test at 200 psi, then the operator shall repeat the testing every 48 months as long as the well is an idle well.

(B) If the operator conducts the pressure test at 500 psi, then the operator shall repeat the testing every 72 months as long as the well is an idle well.

(C) If the operator conducts the pressure test at 1,000 psi, then the operator shall repeat the testing every 96 months as long as the well is an idle well.

(D) A casing pressure test conducted according to subdivision (B) or (C) prior to the effective date of this section will be accepted for initial compliance provided that the test was conducted in accordance with the pressure testing parameters in Section 1772.1.1.

(3) Within 8 years of a well becoming an idle well, the operator shall perform a clean out tag on the well to verify the current Division-permitted depth of the well. The operator shall attempt to reach the Division-permitted depth, but shall at least reach 25 feet below the uppermost perforation in the lowermost zone. The operator shall repeat this testing once every 48 months for as long as the well is an idle well, or at a lesser frequency approved by the Division on a

case-by-case basis based on the successful results of previous testing. The Division may require more frequent clean outs if known field or geologic conditions indicate risk to the mechanical integrity of the well.

(4) If there is any indication that an idle well exhibits a high risk of corrosion or other mechanical integrity issues, including damage caused by subsidence or other factors, then the Division may require the operator to conduct an ultrasonic or magnetic flux survey, or equivalent survey approved by the Division, to measure mechanical integrity. If the survey is performed and the corrosion rate cannot be determined, then the operator shall repeat this survey after 24 months, but within 36 months, to determine the corrosion rate. The Division will determine a future testing schedule based on well condition, corrosion rate, and other identified risks.

(b) In addition to any other penalty or remedial requirement imposed by the Division, within 12 months of failing to comply with a requirement of this section, the operator shall do one of the following:

(1) Bring the well into compliance, to the satisfaction of the Division;

(2) Partially plug and abandon the well in accordance with Section 1752; or

(3) Plug and abandon the well in accordance with Public Resources Code section 3208.

(c) Before conducting any test required under this section, the operator shall give the appropriate district office 24 hours' notice, or a notice acceptable to the district office, so that a Division inspector may witness the testing. All testing shall be documented and copies of test results shall be submitted to the Division in an electronic format within 30 days.

(d) Subject to approval by the Division, the requirements of this section and Section 1772.1.2 do not apply to an idle well if the operator has made a diligent effort to locate and access the well, and the documentation of those efforts demonstrates that the well is inaccessible.

(1) Within one year of the Division approving an operator's demonstration that a well is inaccessible, the operator shall submit a plan for the Division's review and approval to ensure that any hazards posed by the well are identified and addressed so as to prevent damage to life, health, property, and natural resources. The plan shall at a minimum address all of the following:

(A) Ongoing monitoring of the inaccessible well, including periodic gas monitoring at the surface and, where appropriate, groundwater monitoring

(B) Response to any indication that the inaccessible well is venting gas to the surface or otherwise posing a threat; and

(C) Periodic reporting to the Division on the implementation of the plan.

(2) If the Division identifies any deficiencies in the plan submitted by the operator, then the Division will consult with the operator and identify an appropriate timeframe for correcting the deficiency.

(3) It is a violation of this subdivision if the operator fails to submit a plan under subdivision (d)(1) in a timely manner, fails to address deficiencies with the plan in a timely manner, or fails to comply with the plan as approved by the Division. If the operator violates this section then

the Division may, in its discretion, discontinue the waiver under this subdivision from compliance with the other requirements of this section and Section 1772.1.2.

(e) Idle wells that are partially plugged and tested in accordance with the requirements of Section 1752 are not subject to the testing requirements under this section or the engineering analysis requirements under Section 1772.1.2.

(f) If the operator demonstrates to the Division's satisfaction that a wellbore is not within one-half mile of a USDW, then for purposes of this section the well shall not be deemed an idle well until it has met the definition of "idle well" in Public Resources Code section 3008 for an additional two years.

(g) For wells that as of the effective date of this section would be overdue for testing under subdivisions (a)(2) or (a)(3), the operator is not required to complete the testing required under those subdivisions until 48 months after the effective date of this section, provided that the operator completes the testing for at least half of these wells within 24 months after the effective date of this section.

NOTE: Authority cited: Section 3013, Public Resources Code. Reference: Sections 3106 and 3206.1, Public Resources Code.

1772.1.1. Pressure Testing Parameters

(a) Pressure testing required under Sections 1752, 1772.1, or 1772.3 shall be conducted according to the following parameters:

(1) Pressure testing shall be conducted with a liquid with a viscosity no greater than 3.0 centipoise unless the Division approves pressure testing with gas.

(2) The wellbore shall be filled with a stable column of fluid that is free of excess gasses.

(3) Pressure tests shall be recorded and a calibrated gauge shall be used that can record a pressure with an accuracy within one percent.

(4) The pressure test shall be continuous for 30 minutes. A pressure test is successful if the pressure gauge does not show more than a 5 percent decline in pressure from the initial test pressure in the first 15 minutes, and does not show more than a 1 percent decline in pressure from the pressure after the first 15 minutes in the last 15 minutes.

(b) The Division may modify the testing parameters on a case-by-case basis if, in the Division's judgement, the modification is necessary to ensure an effective test of the integrity of the casing.

NOTE: Authority cited: Section 3013, Public Resources Code. Reference: Sections 3106 and 3206.1, Public Resources Code.

1772.1.2. Engineering Analysis for 15-Year Idle Wells

(a) Within 15 years of a well becoming an idle well, the operator shall provide the Division with an engineering analysis demonstrating to the Division's satisfaction that it is viable to return the well to operation in the future. The engineering analysis shall document that the well could be used to access potential oil and gas reserves and that it has mechanical integrity.

(b) The engineering analysis required under subdivision (a) shall include the following information for the purpose of demonstrating the well could be used to access potential to oil and gas reserves:

(1) Identification of each reservoir unit that might be accessed and the reservoir characteristics of each of the identified reservoir units, including:

(A) Average porosity and permeability;

(B) Average gross interval thickness and net pay thickness;

(C) Original and residual oil, gas, and water saturations;

(D) Estimated original oil and gas in-place volumes;

(E) Estimated recoverable resources, for injection wells this includes estimated incremental oil production at the producing wells;

(F) Areal extent of the reservoir;

(G) Oil gravity and viscosity;

(H) Specific gravity of gas; and

(I) Original and present reservoir temperature and pressure.

(2) A representative electric log to a depth below the deepest producing zone, identifying all geologic units, formations, USDWs, freshwater aquifers, oil or gas zones, and each reservoir unit to be utilized.

(3) Structural contour map drawn on a geologic marker at or near the top of each reservoir unit to be utilized indicating faults, other lateral containment features, and areal extent of the productive zone.

(c) The engineering analysis required under subdivision (a) shall include all data specified in Section 1772.1.3, provided in the form of a graphical casing diagram.

(d) The Division may require the operator to include additional data in the engineering analysis required under subdivision (a) on a case-by-case basis if the Division deems it necessary for the evaluation of whether it is viable to return the well to operation in the future.

(e) If the operator submits information to the Division under subdivision (b) that is demonstrated to be applicable to multiple wells subject to the requirements of this section, then the operator may reference the applicable information in subsequent engineering analyses and is not required to submit duplicate information.

(f) All data required under this section shall be submitted to the Division electronically in a digital format. All maps, diagrams, and exhibits shall be clearly labeled, such as to scale and purpose, and shall clearly identify wells, boundaries, zones, contacts, and other relevant data.

Unless requested by the Division, information that has already been provided to the Division is not required to be resubmitted.

(g) Where it is infeasible to supply the data specified in subdivisions (b) and (c), the Division may accept alternative data, provided that the alternative data demonstrate to the Division's satisfaction that it is viable to return the well to operation in the future.

(h) If the Division determines upon initial review of an engineering analysis required under subdivision (a) that it is not viable to return the well to operation in the future, then the Division will inform the operator of the basis of that determination and allow the operator at least 30 days to provide additional information to substantiate that the well is viable to return to operation in the future. If the Division determines upon final review of the engineering analysis and any additional information provided by the operator that it is not viable to return a well to operation in the future, then the Division will provide a notice of final determination to the operator. The operator shall plug and abandon the well in accordance with Public Resources Code section 3208 within 12 months of receiving the notice of final determination.

(i) For wells that as of the effective date of this section would be overdue for the submission of an engineering analysis, the operator is not required to submit the information required under this section until 48 months after the effective date of this section, provided that the operator completes the analysis for at least half of these wells within 24 months after the effective date of this section.

NOTE: Authority Cited: Sections 3013, 3106, and 3206.1. Reference: Sections 3106 and 3206.1.

1772.1.3. Casing Diagrams

(a) Casing diagrams submitted under the requirements of Section 1772.1.2, subdivision (c), shall include all of the following data:

(1) Operator name, lease name, well number, and API number of the well;

(2) Ground elevation from sea level;

(3) Reference elevation (i.e., rig floor or Kelly bushing);

(4) Base of freshwater;

(5) Base of the lowermost USDW penetrated by the well;

(6) Sizes, grades, connection type, and weights of casing;

(7) Depths of shoes, stubs, and liner tops;

(8) Depths of perforation intervals, water shutoff holes, cement port, cavity shots, cuts, casing damage, and type and extent of junk or fish left in the well, and any other feature that influences flow in the well or may compromise the mechanical integrity of the well;

(9) Information regarding associated equipment such as subsurface safety valves, packers, and gas lift mandrels;

- (10) Diameter and depth of hole;
- (11) Identification of cement plugs inside casings, including locations of the top and bottom of cement plugs;
- (12) Identification of cement fill behind casings, including locations of the top and bottom of cement fill;
- (13) Type and weight (density) of fluid between cement plugs;
- (14) Depths and names of the formations, zones, and sand markers penetrated by the well, including the top and bottom of the injection zone for the underground injection project;
- (b) Each casing diagram submitted to the Division shall be accompanied by documentation of the following:
- (1) All steps of cement yield and cement calculations performed;
- (2) All information used to calculate the cement slurry (volume, density, yield), including but not limited to, cement type and additives, for each cement job completed in each well; and
- (3) The wellbore path, providing both inclination and azimuth measurements.
- (c) When multiple boreholes are drilled in a well, all of the information listed in this section is required for both the original hole and for any subsequent redrilled or sidetracked wellbores.
- (d) Measured depth and true vertical depth shall be provided for all depths required under subdivision (a).
- (e) In lieu of graphical casing diagrams, operators may satisfy the requirements of section 1772.1.2, subdivision (c), by submitting a flat file data set containing all of the information described in this section.

AUTHORITY:

Note: Authority cited: Sections 3013 and 3106, Public Resources Code. Reference: Sections 3106 and 3206.1, Public Resources Code.

1772.2. Idle Well Testing Waiver Program

- (a) If a well is scheduled to be plugged and abandoned as part of a Testing Waiver Plan, the plan has been approved by the Division, and the operator is in compliance with the plan, then the operator is not required to meet the requirements of Sections 1772.1, 1772.1.1, and 1772.1.2 for that well.
- (b) In order to be approved by the Division, a Testing Waiver Plan shall meet the following requirements:
- (1) The plan shall include a list of idle wells to be plugged and abandoned and the following information for each of the wells listed:
- (A) The API number of the well;
- (B) The date by which the well is scheduled to be plugged and abandoned;
- (C) Any known or existing wellbore integrity deficiencies in the well, including an explanation of the deficiency and when it became known; and

(D) Description of any prior attempts to remediate the wellbore.

(2) All idle wells listed in the plan shall be scheduled to be plugged and abandoned in accordance with Public Resources Code section 3208 within 5 years.

(3) Subject to Division review and approval, the operator may request to modify the idle wells listed in an approved Testing Waiver Plan. A request to modify the list of idle wells shall be supported by justification for the change, information required under subdivision (b)(1) for any idle wells added to the list, and a work plan for expeditiously bringing any wells removed from the list into compliance with the requirements of Sections 1772.1, 1772.1.1, and 1772.1.2.

(c) The plan shall not schedule plug and abandonment of more than 5 percent of the operator's total idle wells in any one calendar year. The Division may approve inclusion of additional wells based on the operator's small total number of idle wells or a satisfactory demonstration that the operator will allocate necessary resources to plug and abandon the additional wells. This section does not restrict the number of wells that an operator may plug and abandon in a calendar year, but the exemptions under subdivision (a) do not apply to wells that are not scheduled for plug and abandonment under a Testing Waiver Plan approved by the Division.

(d) When prioritizing the plugging and abandonment of wells under the Testing Waiver Plan, the operator shall consider the evaluation conducted under Section 1772, as well as any other factors that may indicate that an idle well presents a risk to public health or safety or to the environment.

(e) If an operator fails to complete plug and abandonment of any well according to the schedule approved by the Division, then the Division may cancel the Testing Waiver Plan. If the Division cancels the Testing Waiver Plan, then the exemptions under subdivision (a) no longer apply for any of the wells listed in the plan and the operator shall conduct the testing and analysis required under Sections 1772.1 and 1772.2 for each of the listed wells within 90 days. If the Division has canceled a Testing Waiver Plan, then the operator shall not submit another plan for at least 5 years, unless the operator first obtains the approval of the Division.

NOTE: Authority cited: Sections 3013 and 3106, Public Resources Code. Reference: Sections 3106 and 3206.1, Public Resources Code.

1772.3. Requirements for Observation Wells

(a) If any part of the wellbore of an observation well penetrates a USDW, the operator shall conduct a fluid level test using acoustical, mechanical, or other reliable methods, or other diagnostic tests approved by the Supervisor within 6 months of a well becoming an observation well and at least once every 60 months thereafter. The results from a fluid level test conducted within 60 months prior to the effective date of this section will be accepted for initial compliance provided that the operator can provide the depth of the base of the USDW for the well.

(b) Within 6 months of a well becoming an observation well, the operator shall conduct a casing pressure test from the surface to 500 feet below the depth of the base of the USDW, or

at least to a depth that is 100 feet from the uppermost perforation or the casing shoe of the deepest cemented casing. The operator shall repeat this testing every 60 months. The pressure test shall be conducted at a pressure of at least 200 psi above surface pressure and in accordance with the testing parameters specified in Section 1772.1.1.

(c) For wells that as of the effective date of this section would be overdue for testing under subdivisions (a) or (b), the operator is not required to complete the testing required under those subdivisions until 48 months after the effective date of this section, provided that the operator completes the testing for at least half of these wells within 24 months after the effective date of this section.

(d) Before conducting any test required under this section, the operator shall give the appropriate district office 24 hours' notice, or a notice acceptable to the district office, so that Division staff may witness the testing.

NOTE: Authority cited: Section 3013, Public Resources Code. Reference: Sections 3008 and 3106, Public Resources Code.

1772.4. Verification of Production or Injection

For any well for which injection or production has been reported under Public Resources Code section 3227 or 3406, upon request by the Division, the operator shall demonstrate that the well is capable of producing or injecting and did in fact produce or inject as reported. In order to make this demonstration, the Division may require an equipment check, well test, or verifying documentation including, but not limited to:

(a) Operability of the production or injection equipment;

(b) Filling of production tanks;

(c) Field production reports;

(d) Lease oil inventory at the beginning or end of the month;

(e) Run tickets or automated shipping data, which includes the shipping and/or purchasing company and the volume received;

(f) Lab data, such as gravity, water cut, and/or temperature;

(g) Details of the methods used to allocate production to wells; or

(h) Any other documentation or means by which the Division may reasonably require an operator to verify production.

NOTE: Authority cited: Section 3013, Public Resources Code. Reference: Sections 3008, 3106, 3227 and 3406, Public Resources Code.