2 INTRODUCED BY Lieun, Marky

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A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE OWNERS OF

5 OIL AND GAS WELLS TO FILE BOTTOM-HOLE TEMPERATURES WITH THE

BOARD OF OIL AND GAS CONSERVATION TO FACILITATE THE

DISCOVERY OF POTENTIAL GEOTHERMAL ENERGY SOURCES: AMENDING

SECTIONS 60-127, 60-144, AND 60-148, R.C.M. 1947.\*

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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 60-127, R.C.M. 1947, is amended to

12 read as follows:

13 \*60-127. Powers and duties of board. (1) The board
14 shall make such investigations as it considers proper to
15 determine whether waste exists or is imminent or whether
16 other facts exist which justify any action by the board
17 under the authority granted by this chapter with respect

13 thereto.

19 (2) Subject to the administrative control of the

department under section 32A-108, the board shall:

21 (a) Require: (i) identification of ownership of oil or

gas wells, producing properties and tanks; (ii) the making

and filing of acceptable well logs, including bottom-hole

24 temperatures, to facilitate the discovery of potential

25 geothermal energy sources, reports on well locations, and

the filing of directional surveys, if made, however, logs of exploratory or wildcat wells need not be filed for a period of six (6) months following completion of those wells: (iii) the drilling, casing, producing and plugging of wells in such manner as to prevent the escape of oil or das out of one stratum into another, the intrusion of water into oil or gas stratum, blowouts, cavings, seepages, and fires, and the pollution of fresh water supplies by oil, gas, salt, or brackish water; (iv) the restoration of surface lands to 10 their previous grade and productive capability after a well 11 is plugged or a seismographic shot hole has been utilized. 12 and necessary measures to prevent adverse hydrological 13 effects from such well or hole, unless the surface owner 14 agrees in writing, with the approval of the board or its 15 representative, to a different plan of restoration; (v) the 16 furnishing of a reasonable bond with good and sufficient 17 surety, conditioned for performance of the duty to properly 18 plug each dry or ahandoned well: (vi) proper gauging or 19 other measuring of oil and gas produced and sayed to 20 determine the quantity and quality thereof; and (vii) that 21 every person who produces, transports or stores oil or das 22 in this state shall make available within this state for a period of five (5) years complete and accurate records of 24 the quantities thereof, which records shall be available for 25 examination by the board or its employers at all reasonable

times, and that that person file with the board such reports as it may prescribe with respect to quantities, transportations, and storages of the oil or gas.

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- (b) For the purpose of preventing waste, (i) regulate the drilling, producing and plugging of wells, the shooting and chemical treatment of wells, the spacing of wells, operations voluntarily entered into to increase ultimate recovery such as cycling of gas, the maintenance of pressure, and the introduction of gas, water, or other substances into producing formations, and, (ii) fix, upon application made by any interested person after hearing, efficient gas-oil and water-oil ratios for any particular well or wells.
- 14 (c) Regulate the disposal of salt water and oil field 15 wastes.
  - (d) Classify wells as oil or gas wells for purposes material to the interpretation or enforcement of this chapter.
  - (e) Adopt and enforce rules and orders to effectuate the purposes and the intent of this chapter. The board shall promulgate rules to implement (a) (iv) of this subsection (2), no later than November 1, 1974.
- 23 (3) The board shall determine and prescribe what 24 producing wells shall be defined as "stripper wells" and 25 what wells shall be defined as "wild cat wells" and make

such orders as in its judgment are required to protect those wells, and provide that stripper wells may be produced to capacity if it is considered necessary in the interest of conservation to do so.

produced by a gas well on or prior to April 1, 1953, this chapter does not authorize the board to limit or restrain the rate (daily or otherwise) of production of gas from that pool by any well then or thereafter drilled and producing from that pool to less than the rate at which the well can be produced without adversely affecting the quantity of gas ultimately recoverable by the well."

Section 2. Section 60-144, R.C.M. 1947, is amended to read as follows:

15 \*60-144. Owners shall make available to board cores 16 and cuttings. (1) An owner drilling a well for gas or oil 17 shall make available to the board at its field offices representative cores or chips, when available, and the 14 - 19 cuttings from the well; and the bottom-hole temperatures of 20 the wells, in order to facilitate the discovery of 21 geothermal potential. However, cores, chips or cuttings road 22 not be so made available for a period of six (6) months 23 following completion or abandonment of the wells. The board may, however, relieve the owner of a well of the obligation to furnish cores, chips, or cuttings when in the opinion of

the board, the furnishing thereof would be unduly burdensome 1 for the owner; however, the owner desiring relief must apply to and receive permission from the board to not so .furnish. 3 4 (2) The owner of a stratigraphic test well drilled for the purpose of obtaining lithologic information useful in 5 6 potential oil and gas operations, as such well is defined by the board's rules shall within six (6) months from the date 8 of the cessation of the drilling of the well, make available to the board, complete sets of sample cuttings and Ŷ 10 representative cores or chips and well logs of the wells, which logs shall include among other information the size of 11 12 casing used, and the type and depth of water if any located, and bottom-hole temperatures for geothermal 13 purposes; the cuttings, cores, chips and logs shall be 14 impounded and kept secure and confidential by the board 15 16 until such time that the board desires to use the same; however, the board may not use the logs, chips, cores and 17 cuttings from stratigraphic test wells until a period of 13 three (3) years from the date of their impounding by the 19 26 board has elapsed unless the owner of the stratigraphic test 21 well consents to their use by the board prior to the 22 expiration of the three (3) year period. The board, during the period of impoundment for any cores, cuttings, chips, or 23 24 logs from any stratigraphic test well, may not give any person access to the cores, chips, cuttings or logs, and it 25

- may not disclose any information relating thereto or derived therefrom. The board shall require, and the owner of a stratigraphic test well shall furnish, prior to the commencement of drilling of the well, a good and sufficient surety bond, to be approved prior to the commencement of the drilling, conditioned upon the proper plugging of the well prior to abandonment, the amount of the bond to be determined by the estimated depth as in the board's rules provided for oil and gas wells, and, prior to abandonment, 10 the wells shall be plugged by the owner thereof, or by the surety should the owner be in default, the plugging to 11 12 conform to the standards set down and determined by the 13 board.
- 14 (3) Notwithstanding subsection (2), bottom-hole
  15 temperatures furnished to the board by stratigraphic test
  16 well owners shall be public information immediately upon
  17 filing with the board."
- 18 Section 3. Section 60-148, R.C.M. 1947, is amended to read as follows:
- "60-148. Availability of facilities to bureau. The board may make available to the authorized personnel or representatives of the bureau of mines and geology such facilities, equipment, records, and cores and cuttings, or samples of cores and cuttings, as are, or may be, required by the bureau in the furtherance of its oil and gas research

- 1 and study. Bottor-hole temperatures of oil and gas wells
- shall be made available to the bureau of mines and geology
- 3 in order to facilitate the determination of possible
- ceothermal energy sources."

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## SB 0079/02

## Approved by Committee on Natural Resources

2	INTRODUCED BY THIESSEN, MATHERS
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE OWNERS OF
5	OIL AND GAS WELLS TO FILE BOTTOM-HOLE TEMPERATURES WITH THE
6	BOARD OF OIL AND GAS CONSERVATION TO FACILITATE THE
7	DISCOVERY OF POTENTIAL GEOTHERMAL ENERGY SOURCES: AMENDING
8	SECTIONS 60-127, 60-144, AND 60-148, R.C.M. 1947."
9	
10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11	Section 1. Section 60-127, R.C.M. 1947, is amended to
12	read as follows:
13	"60-127. Powers and duties of board. (1) The board
14	shall make such investigations as it considers proper to
15	determine whether waste exists or is imminent or whether
16	other facts exist which justify any action by the board
17	under the authority granted by this chapter with respect
18	thereto.
19	(2) Subject to the administrative control of the
20	department under section 82A-108, the board shall:
21	(a) Require: (i) identification of ownership of oil or
22	gas wells, producing properties and tanks; (ii) the making
23	and filing of acceptable well logs, including bottom-hole
24	temperatures, to facilitate the discovery of potential
25	geothermal energy sources, reports on well locations, and
	denominational newsons, releases on more researches, and

SENATE BILL NO. 79

the filing of directional surveys, if made, however, logs of 2 exploratory or wildcat wells need not be filed for a period of six (6) months following completion of those wells; (iii) the drilling, casing, producing and plugging of wells in 5 such manner as to prevent the escape of oil or gas out of one stratum into another, the intrusion of water into oil or gas stratum, blowouts, cavings, seepages, and fires, and the pollution of fresh water supplies by oil, gas, salt, or brackish water; (iv) the restoration of surface lands to their previous grade and productive capability after a well 1.0 11 is plugged or a seismographic shot hole has been utilized, 12 and necessary measures to prevent adverse hydrological 13 effects from such well or hole, unless the surface owner 14 agrees in writing, with the approval of the board or its 15 representative, to a different plan of restoration; (v) the furnishing of a reasonable bond with good and sufficient 16 17 surety, conditioned for performance of the duty to properly plug each dry or abandoned well; (vi) proper gauging or 19 other measuring of oil and gas produced and saved to 20 determine the quantity and quality thereof; and (vii) that 21 every person who produces, transports or stores oil or gas 22 in this state shall make available within this state for a 23 period of five (5) years complete and accurate records of 24 the quantities thereof, which records shall be available for 25 examination by the board or its employees at all reasonable

- times, and that that person file with the board such reports
  as it may prescribe with respect to quantities,
- transportations, and storages of the oil or gas.
- 4 (b) For the purpose of preventing waste, (i) regulate
  5 the drilling, producing and plugging of wells, the shooting
- 6 and chemical treatment of wells, the spacing of wells,
- 7 operations voluntarily entered into to increase ultimate
  - recovery such as cycling of gas, the maintenance of
- pressure, and the introduction of gas, water, or other
- 10 substances into producing formations, and, (ii) fix, upon
- 11 application made by any interested person after hearing,
- 12 efficient qas-oil and water-oil ratios for any particular
- 13 well or wells.
- 14 (c) Regulate the disposal of salt water and oil field
- 15 wastes.

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- 16 (d) Classify wells as oil or gas wells for purposes
- 17 material to the interpretation or enforcement of this
- 18 chapter.
- 19 (e) Adopt and enforce rules and orders to effectuate
- 20 the purposes and the intent of this chapter. The board shall
- 21 promulgate rules to implement (a) (iv) of this subsection
- 22 (2), no later than November 1, 1974.
- 23 (3) The board shall determine and prescribe what
- 24 producing wells shall be defined as "stripper wells" and
- 25 what wells shall be defined as "wild cat wells" and make

- 1 such orders as in its judgment are required to protect those
- 2 wells, and provide that stripper wells may be produced to
- 3 capacity if it is considered necessary in the interest of
- 4 conservation to do so.
- 5 (4) With respect to any pool from which gas was being
- 6 produced by a gas well on or prior to April 1, 1953, this
- 7 chapter does not authorize the board to limit or restrain
- the rate (daily or otherwise) of production of gas from that
- 9 pool by any well then or thereafter drilled and producing
- 10 from that pool to less than the rate at which the well can
- 11 be produced without adversely affecting the quantity of gas
- 12 ultimately recoverable by the well."
- 13 Section 2. Section 60-144, R.C.M. 1947, is amended to
- 14 read as follows:

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- 15 \*60-144. Owners shall make available to board cores
  - and cuttings. (1) An owner drilling a well for gas or oil
- 17 shall make available to the board at its field offices
- 18 representative cores or chips, when available, and the
- 19 cuttings from the well, and the bottom-hole temperatures of
- 20 the wells, in order to facilitate the discovery of
- 21 geothermal potential. However, cores, chips or cuttings need
- 22 not be so made available for a period of six (6) months
- 23 following completion or abandonment of the wells. The board
- 24 may, however, relieve the owner of a well of the obligation
- 25 to furnish cores, chips, or cuttings when in the opinion of

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(2) The owner of a stratigraphic test well drilled for the purpose of obtaining lithologic information useful in potential oil and gas operations, as such well is defined by the board's rules shall within six (6) months from the date of the cessation of the drilling of the well, make available to the board, complete sets of sample cuttings and representative cores or chips and well logs of the wells, which logs shall include among other information the size of casing used, and the type and depth of water if any located, and bottom-hole temperatures for geothermal purposes; the cuttings, cores, chips and logs shall be impounded and kept secure and confidential by the board until such time that the board desires to use the same; however, the board may not use the logs, chips, cores and cuttings from stratigraphic test wells until a period of three (3) years from the date of their impounding by the poard has elapsed unless the owner of the stratigraphic test well consents to their use by the board prior to the expiration of the three (3) year period. The board, during the period of impoundment for any cores, cuttings, chips, or logs from any stratigraphic test well, may not give any person access to the cores, chips, cuttings or logs, and it

may not disclose any information relating thereto or derived therefrom. The board shall require, and the owner of a stratigraphic test well shall furnish, prior to the commencement of drilling of the well, a good and sufficient surety bond, to be approved prior to the commencement of the drilling, conditioned upon the proper plugging of the well prior to abandonment, the amount of the bond to be determined by the estimated depth as in the board's rules provided for oil and gas wells, and, prior to abandonment, 10 the wells shall be plugged by the owner thereof, or by the 11 surety should the owner be in default, the plugging to 12 conform to the standards set down and determined by the 13 board.

14 (3) Notwithstanding subsection (2), bottom-hole
15 temperatures furnished to the board by stratigraphic test
16 well owners shall be public information immediately upon
17 filing with the board."

Section 3. Section 60-148, R.C.M. 1947, is amended to read as follows:

20 "60-148. Availability of facilities to bureau. The
21 board may make available to the authorized personnel or
22 representatives of the bureau of mines and geology such
23 facilities, equipment, records, and cores and cuttings, or
24 samples of cores and cuttings, as are, or may be, required
25 by the bureau in the furtherance of its oil and gas research

- 1 and study. Bottom-hole temperatures of oil and gas wells
- 2 shall be made available to the bureau of mines and geology
- 3 BY THE BOARD in order to facilitate the determination of
- possible geothermal energy sources."

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44th Legislature SB 0079/02

SB 0079/02

1	SENATE BILL NO. 79
2	INTRODUCED BY THIESSEN, MATHERS
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE OWNERS OF
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18	thereto.
19	(2) Subject to the administrative control of the
20	department under section 82A-108, the board shall:
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23	and filing of acceptable well logs, including bottom-hole

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qeothermal energy sources, reports on well locations, and

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- times, and that that person file with the board such reports
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- 14 (c) Regulate the disposal of salt water and oil field 15 wastes.
- 16 (d) Classify wells as oil or gas wells for purposes
  17 material to the interpretation or enforcement of this
  18 chapter.
- 19 (e) Adopt and enforce rules and orders to effectuate
  20 the purposes and the intent of this chapter. The board shall
  21 promulgate rules to implement (a) (iv) of this subsection
  22 (2), no later than November 1, 1974.
- 23 (3) The board shall determine and prescribe what 24 producing wells shall be defined as "stripper wells" and 25 what wells shall be defined as "wild cat wells" and make

such orders as in its judgment are required to protect those
wells, and provide that stripper wells may be produced to
capacity if it is considered necessary in the interest of
conservation to do so.

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Section 2. Section 60-144, R.C.M. 1947, is amended to read as follows:

15 "60-144. Owners shall make available to board cores and cuttings. (1) An owner drilling a well for gas or oil 16 17 shall make available to the board at its field offices 18 representative cores or chips, when available, and the cuttings from the well, and the bottom-hole temperatures of 19 20 the wells, in order to facilitate the discovery of geothermal potential. However, cores, chips or cuttings need 21 22 not be so made available for a period of six (6) months 23 following completion or abandonment of the wells. The board 24 may, however, relieve the owner of a well of the obligation 25 to furnish cores, chips, or cuttings when in the opinion of

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may not disclose any information relating thereto or derived 1 therefrom. The board shall require, and the owner of a 2 stratigraphic test well shall furnish, prior to the 3 commencement of drilling of the well, a good and sufficient surety bond, to be approved prior to the commencement of the 5 6 drilling, conditioned upon the proper plugging of the well 7 prior to abandonment, the amount of the bond to be determined by the estimated depth as in the board's rules 8 provided for oil and gas wells, and, prior to abandonment, 9 10 the wells shall be plugged by the owner thereof, or by the 11 surety should the owner be in default, the plugging to 12 conform to the standards set down and determined by the 13 board.

(3) Notwithstanding subsection (2), bottom-hole temperatures furnished to the board by stratigraphic test well owners shall be public information immediately upon filing with the board."

18 Section 3. Section 60-148, R.C.M. 1947, is amended to 19 read as follows:

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- 1 and study. Bottom-hole temperatures of oil and gas wells
- 2 shall be made available to the bureau of mines and geology
- 3 BY THE BOARD in order to facilitate the determination of
- 4 possible geothermal energy sources."

SB 79

-7-

1	SENATE BILL NO. 79
2	INTRODUCED BY THIESSEN, MATHERS
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7	DISCOVERY OF POTENTIAL GEOTHERMAL ENERGY SOURCES; AMENDING
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18	thereto.
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25	geothermal energy sources, reports on well locations, and

1	the filing of directional surveys, if made, however, logs of
2	exploratory or wildcat wells need not be filed for a period
3	of six (6) months following completion of those wells; (iii)
4	the drilling, casing, producing and plugging of wells in
5	such manner as to prevent the escape of oil or gas out of
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7	gas stratum, blowouts, cavings, seepages, and fires, and the
8	pollution of fresh water supplies by oil, gas, salt, or
9	brackish water; (iv) the restoration of surface lands to
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11	is plugged or a seismographic shot hole has been utilized,
12	and necessary measures to prevent adverse hydrological
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14	agrees in writing, with the approval of the board or its
15	representative, to a different plan of restoration; (v) the
16	furnishing of a reasonable bond with good and sufficient
17	surety, conditioned for performance of the duty to properly
18	plug each dry or abandoned well; (vi) proper gauging or
19	other measuring of oil and gas produced and saved to
20	determine the quantity and quality thereof; and (vii) that
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- 4 (b) For the purpose of preventing waste, (i) regulate õ the drilling, producing and plugging of wells, the shooting 6 and chemical treatment of wells, the spacing of wells, 7 operations voluntarily entered into to increase ultimate 8 recovery such as cycling of gas, the maintenance of 9 pressure, and the introduction of gas, water, or other 10 substances into producing formations, and, (ii) fix, upon 11 application made by any interested person after hearing, 12 efficient gas-oil and water-oil ratios for any particular 13 well or wells.
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  - (d) Classify wells as oil or gas wells for purposes material to the interpretation or enforcement of this chapter.
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5 (4) With respect to any pool from which gas was being
6 produced by a gas well on or prior to April 1, 1953, this
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the board, the furnishing thereof would be unduly burdensome 1 for the owner; however, the owner desiring relief must apply 2 to and receive permission from the board to not so furnish. 3 (2) The owner of a stratigraphic test well drilled for 4 the purpose of obtaining lithologic information useful in 5 potential oil and gas operations, as such well is defined by 6 7 the board's rules shall within six (6) months from the date of the cessation of the drilling of the well, make available to the board, complete sets of sample cuttings and 9 representative cores or chips and well logs of the wells, 10 which logs shall include among other information the size of 11 casing used, and the type and depth of water if any 12 located, and bottom-hole temperatures for geothermal 13 purposes; the cuttings, cores, chips and logs shall be 14 impounded and kept secure and confidential by the board 15 until such time that the board desires to use the same; 16 however, the board may not use the logs, chips, cores and 17 cuttings from stratigraphic test wells until a period of 18 three (3) years from the date of their impounding by the 19 board has elapsed unless the owner of the stratigraphic test 20 well consents to their use by the board prior to the 21 expiration of the three (3) year period. The board, during 22 23 the period of impoundment for any cores, cuttings, chips, or 24 logs from any stratigraphic test well, may not give any person access to the cores, chips, cuttings or logs, and it 25 -51 may not disclose any information relating thereto or derived therefrom. The board shall require, and the owner of a stratigraphic test well shall furnish, prior to the 3 commencement of drilling of the well, a good and sufficient surety bond, to be approved prior to the commencement of the drilling, conditioned upon the proper plugging of the well prior to abandonment, the amount of the bond to be determined by the estimated depth as in the board's rules provided for oil and gas wells, and, prior to abandonment, the wells shall be plugged by the owner thereof, or by the surety should the owner be in default, the plugging to conform to the standards set down and determined by the board. (3) Notwithstanding subsection (2), bottom-hole temperatures furnished to the board by stratigraphic test well owners shall be public information immediately upon filing with the board." Section 3. Section 60-148, R.C.M. 1947, is amended to read as follows: "60-148. Availability of facilities to bureau. The board may make available to the authorized personnel or representatives of the bureau of mines and geology such facilities, equipment, records, and cores and cuttings, or

samples of cores and cuttings, as are, or may be, required

by the bureau in the furtherance of its oil and gas research

- l and study. Bottom-hole temperatures of oil and gas wells
- 2 shall be made available to the bureau of mines and geology
- 3 BY THE BOARD in order to facilitate the determination of
- 4 possible geothermal energy sources. \*

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