

1 *Senate* BILL NO. 79  
2 INTRODUCED BY *Thiesman, Mark*

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."

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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 32A-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

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  
6 one stratum into another, the intrusion of water into oil or  
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  
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 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

1 times, and that that person file with the board such reports  
2 as it may prescribe with respect to quantities,  
3 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  
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.

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

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  
8 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:

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  
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

1 the board, the furnishing thereof would be unduly burdensome  
2 for the owner; however, the owner desiring relief must apply  
3 to and receive permission from the board to not so furnish.

4 (2) The owner of a stratigraphic test well drilled for  
5 the purpose of obtaining lithologic information useful in  
6 potential oil and gas operations, as such well is defined by  
7 the board's rules shall within six (6) months from the date  
8 of the cessation of the drilling of the well, make available  
9 to the board, complete sets of sample cuttings and  
10 representative cores or chips and well logs of the wells,  
11 which logs shall include among other information the size of  
12 casing used, and the type and depth of water if any  
13 located, and bottom-hole temperatures for geothermal  
14 purposes; the cuttings, cores, chips and logs shall be  
15 impounded and kept secure and confidential by the board  
16 until such time that the board desires to use the same;  
17 however, the board may not use the logs, chips, cores and  
18 cuttings from stratigraphic test wells until a period of  
19 three (3) years from the date of their impounding by the  
20 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  
23 the period of impoundment for any cores, cuttings, chips, or  
24 logs from any stratigraphic test well, may not give any  
25 person access to the cores, chips, cuttings or logs, and it

1 may not disclose any information relating thereto or derived  
2 therefrom. The board shall require, and the owner of a  
3 stratigraphic test well shall furnish, prior to the  
4 commencement of drilling of the well, a good and sufficient  
5 surety bond, to be approved prior to the commencement of the  
6 drilling, conditioned upon the proper plugging of the well  
7 prior to abandonment, the amount of the bond to be  
8 determined by the estimated depth as in the board's rules  
9 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."

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

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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 in order to facilitate the determination of possible  
4 geothermal energy sources."

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Approved by Committee  
on Natural Resources

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 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

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  
 8 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:

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  
 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

1 the board, the furnishing thereof would be unduly burdensome  
 2 for the owner; however, the owner desiring relief must apply  
 3 to and receive permission from the board to not so furnish.

4 (2) The owner of a stratigraphic test well drilled for  
 5 the purpose of obtaining lithologic information useful in  
 6 potential oil and gas operations, as such well is defined by  
 7 the board's rules shall within six (6) months from the date  
 8 of the cessation of the drilling of the well, make available  
 9 to the board, complete sets of sample cuttings and  
 10 representative cores or chips and well logs of the wells,  
 11 which logs shall include among other information the size of  
 12 casing used, and the type and depth of water if any  
 13 located, and bottom-hole temperatures for geothermal  
 14 purposes; the cuttings, cores, chips and logs shall be  
 15 impounded and kept secure and confidential by the board  
 16 until such time that the board desires to use the same;  
 17 however, the board may not use the logs, chips, cores and  
 18 cuttings from stratigraphic test wells until a period of  
 19 three (3) years from the date of their impounding by the  
 20 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  
 23 the period of impoundment for any cores, cuttings, chips, or  
 24 logs from any stratigraphic test well, may not give any  
 25 person access to the cores, chips, cuttings or logs, and it

1 may not disclose any information relating thereto or derived  
 2 therefrom. The board shall require, and the owner of a  
 3 stratigraphic test well shall furnish, prior to the  
 4 commencement of drilling of the well, a good and sufficient  
 5 surety bond, to be approved prior to the commencement of the  
 6 drilling, conditioned upon the proper plugging of the well  
 7 prior to abandonment, the amount of the bond to be  
 8 determined by the estimated depth as in the board's rules  
 9 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."

18 Section 3. Section 60-148, R.C.M. 1947, is amended to  
 19 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  
4 possible geothermal energy sources."

-End-