

Applicability of Chapter 78 Versus Chapter 79:

Question 1:

Do the new regulations affect conservation wells as far as production/intermediate casing and BOPs? The sections pertaining to preventing waste differ slightly in Chapter 79 and the Conservation Law. There is nothing to indicate that the new Chapter 78 regulations supersede requirements in Chapter 79.

Response 1:

The intent of the new Chapter 78 regulations is to enhance these standards for all wells. Conservation regulations were somewhat more prescriptive when initially developed, but now may appear to be less so. However, since conservation wells are generally deeper than non-conservation wells, they should be regulated at least as stringently.

Considering the reference to Section 79.12, where it states that the intermediate string must run "sufficient" cement, the new Chapter 78 regulations now require cement to surface. Where the language in Chapter 79 is more generic, we would now interpret "sufficient" to mean to the surface, as per the new Chapter 78 regulations. Generally speaking, in instances where Chapter 79 is less conservative than Chapter 78 from an environmental protection or well safety standpoint and it is not prescriptive, Chapter 78 should apply.