

## Attachment 7

### **Annual Idled Well Review Requirements - Checklist**

#### **Field Office Checklist**

##### Step 1: Verify Well Status

- Review and update well status in AFMSS based on the Well Status Comparison Report (OGOR.25) by September 30th of each fiscal year:
  - Update a well's status in AFMSS; however, do not update the following status changes without the operator's paperwork:
    - Any well status to temporarily abandoned (TA) status;
    - Shut-in oil well status to producing oil well status; and
    - TA status to producing oil or gas well status.
  - Issue an Incident of Noncompliance (INC) for each well in TA status for 30 or more days without prior approval;
  - Issue an INC for oil wells returned to production after more than 90 days of nonproduction (TA or shut-in) and the operator did not submit a sundry notice;
  - Issue an INC for gas wells returned to production after more than 90 days of temporarily abandoned status and the operator did not submit a sundry notice;
  - Enter the enforcement actions into AFMSS; and
  - Ensure the field office follows through with the enforcement procedures for noncompliance with any INCs.

##### Step 2: Identify the Nonoperational Wells

- Determine the required idled well reviews by identifying the wells in the annual inspection and enforcement strategy that will have an idled well inspection. The BLM field office staff will complete this step in coordination with the inspection and enforcement staff.
- Determine the number of goal idled well reviews for the fiscal year (i.e., 100 percent of TA and 20 percent of shut-in (SI) wells).

##### Step 3: Prioritize the Nonoperational Wells

- Ensure the field office completes the required idled well reviews:
  - Complete an idled well review for all wells identified in the annual inspection and enforcement strategy for an idled well inspection; and
  - Complete additional idled well reviews, as needed, to ensure the field offices review 20 percent of the wells that meet the idled well definition in the EAct. The field office should prioritize the nonoperational wells based on environmental or safety concerns followed by the oldest nonoperational wells.
- Aim to complete the goal number of idled well reviews:
  - Complete an idled well review for each well in TA status and each well with a sundry notice requesting TA status; and
  - Complete additional idled well reviews for 20 percent of the shut-in wells, with a focus on wells nonoperational for over seven years.

#### Step 4: Identify Cases that Need a 60-Day Letter

- Identify any cases (leases or agreements) that do not have a producing well on it.
- Ensure any non-producing leases in its extended term have recent production or a recent production test verifying production in lease paying quantities:
  - Issue appropriate written orders or add conditions of approval for production tests;
  - Require the operator to provide the results of the production test; and
  - Issue a 60-day letter if the results do not support that the lease is still capable of production in lease paying quantities.
- Issue the appropriate 60-day letter for the case:
  - Under 43 CFR 3107.2-2 for leases without a well capable of production in lease paying quantities (Ensure the field office completes an economic analysis - example in Attachment 4);
  - Under 43 CFR 3107.2-3 for leases with a well capable of production in lease paying quantities; or
  - Under the appropriate agreement section for oil and gas agreement cases.

#### Step 5: Verify the Operator's Future Use of the Well

- Verify that the well continues to have a beneficial use for the lease;
  - Review any sundry notices that requested TA status;
  - Contact the operator and discuss its long-term plans for the well(s); and
  - Issue any needed enforcement actions identified in Step 1, Verify Well Status.

#### Step 6: Review the Data Submitted by the Operator

- Review the operators plans and data to determine:
  - Does the well meet the BLM's definition for beneficial use? If not, the BLM should require the operator to plug the well.
  - Does the operator have a timeline for returning the well to operation? If not, the BLM should add a condition of approval requiring the return to operation in a reasonable timeframe.
- Add any needed conditions of approval, remember to require the operator to return a well to operation in a reasonable timeframe.

#### Step 7: Issue the Appropriate Written Orders

- Issue a demand plug letter for wells within a terminated lease.
- Issue plug or produce letters for wells without beneficial use.
- Ensure all temporarily abandoned wells have mechanical integrity:
  - Add conditions of approval requiring a mechanical integrity test (MIT);
  - Require the operator to provide the results of the MIT; and
  - Require the operator to promptly repair or plug and abandon any well that does not pass the MIT.
- Issue follow up enforcement actions if the operator does not comply with the written orders.

#### Step 8: Add an Idled Well Review to AFMSS

- Ensure the field office enters the following information into the AFMSS idle well review screen for each idled well review:
  - The operator's long term plans related to the well;
  - A determination if the well has potential future beneficial use;
  - If the Operator is contacted, the date BLM sent a letter on the nonoperational well;
  - Any follow-up decisions and operator responses to BLM's letter;
  - The date and test results of any well production tests;
  - The date and test results of any MIT; and
  - The approximate date of the next idled well review.

Step 9: Ensure the Appropriate Monitoring and Data Entry is Completed

- Enter each INC or written order into AFMSS as an enforcement action;
- Enter updates to the idled well reviews as the operator responds to BLM's letters;
- Ensure the operator follows through with its plans to return a well to operation or to plug a well; and
- Ensure wells without beneficial use are promptly plugged and abandoned.

## State Office Checklist

### Monitoring of Field Office Idled Well Reviews

- Ensure that the field office uses the Well Status Comparison Report to update the wells' status within AFMSS.
- Ensure that the field offices complete an idled well review for all wells identified in the high priority idled well inspection list.
- Review 10 percent of the nonoperational wells reviews for each field office and ensure that:
  - Data entry is completed for each idled well review and includes:
    - The operator's plans for the well;
    - A determination of future beneficial use of the well;
    - Next steps for the field office; and
    - Data on any enforcement actions issued to the operator.
  - Data entry is completed in the enforcement screens for AFMSS and includes:
    - Data entry for any written orders issued to the operator;
    - Data entry for any INCs issued to the operator; and
    - Timely closing of enforcement actions that the operator addressed.
    - Follow-up enforcement actions are timely issued for outstanding written orders or INCs.
  - A copy of the findings is provided to the Washington Office and the field offices with any recommendations to improve the idled well review process.

## Headquarters Office, Division of Fluid Minerals Checklist

### Static Idled Well List and Reports

- Determine the number of nonoperational wells for the beginning of each fiscal year;
  - Run the OBIEE report, Shut-in, TA, and Idle Well Report:
    - Select “(All Column Values)” for Field Office;
    - Select both “FED” and “IND” for Lease Type;
    - Select both “Shut In” and “Temp Abandon” for Shut-in/Temp Abandon; and
    - Select “No” and “Yes” for Well Idle.
  - Import the list to National Idled Well Reporting Excel Sheet with Macros enabled
- Determine the number of idled well reviews conducted during the previous fiscal year;
  - Run the OBIEE report, Idle Well Review Report:
    - Select “(All Column Values)” for Select Office;
    - Select the appropriate fiscal year under Review Date FY; and
    - Select both “FED” and “IND” for FED and/or IND.
  - Import the list to National Idled Well Reporting Excel Sheet with Macros enabled
- Follow the directions in the National Idled Well Reporting instruction memorandum (IM) on running the idled well report macro;
- Identify field offices that met the goals within the IM;
- Determine the number of goal idled well reviews for the following fiscal year;
  - Coordinate with the state offices on the number of idled well reviews its field offices plan to complete:
    - Minimum is the high priority idled wells identified in the inspection and enforcement strategy and a total of 20 percent of the idled wells that meet the EPAAct definition of an idled well, and
    - Goal is 100 percent of the TA wells and 20 percent of the SI wells.
  - Finalize the number of planned idled well reviews for each fiscal year.