

Legacy Wells Non-compliance with AOGCC Regulations

The BLM is the current operator of approximately 137 wells drilled by the Federal Government between 1944 and 1981 in northern Alaska. These wells are routinely referred to as the legacy wells. All of the wells are or have been out of compliance with multiple AOGCC regulations. Additional review would likely reveal that the wells are out of compliance with Federal regulations as well. A summary of the issues of non-compliance with AOGCC regulations follows:

- 20 AAC 25.070 (3) requires that an operator file Form 10-407 within 30 days after completion, abandonment or suspension of a well. Where Form 10-404 is required, the same 30 day time requirement applies. These forms document what work was actually performed.
 - o For well operations performed after 2000, all reporting was late. The earliest was received at least 4 months late with most at least two years late and some as much as 4-1/2 years late. In fact, no Form 10-407 has ever been submitted for at least two of the wells.
- 20 AAC 25.105(a) requires that, if the operator is the landowner, all wells on the property must be abandoned within one year following permanent cessation of the operator's oil and gas activity within the field where the wells are located.
 - o Because there has been no BLM operated oil and gas activity anywhere in the NPRA since the final legacy well was drilled in February of 1981, all of the legacy wells that are not currently abandoned are out of compliance.
 - o Further, because the first two wells to be plugged were plugged in 2002, those wells were out of compliance for at least 21 years.
- 20 AAC 25.105 (b) requires that a well not completed as an oil, gas or service well must be properly suspended or abandoned before removal of the drilling rig.
 - o Since with only one exception, none of these wells was ever completed as an oil, gas, or service well, since there has not been a drilling rig on any of these wells in over 30 years, and since none of them was properly suspended per AOGCC regulations, all of the legacy wells are or have been out of compliance including ones that are now properly plugged.
- 20 AAC 25.110(a) allows the AOGCC not to require abandonment of a well but rather to allow that the well be suspended only if the well has future utility or is located on an active pad or platform.
 - o All of the legacy wells are or have at one time been out of compliance including ones that are now properly plugged.
- 20 AAC 25.110(b) requires an operator to submit to and receive approval from the AOGCC for an application for suspension of operations prior to performing the work.
 - o No such application has been submitted for any of the legacy wells and none of the wells is suspended in a manner consistent with the operational details of this regulation.
- 20 AAC 25.110(d) requires the operator of a suspended well to install certain downhole plugs to ensure that all hydrocarbons and fresh waters are confined to their respective indigenous strata.
 - o With few exceptions, none of the legacy wells is in compliance with this regulation.

- 20 AC 25.110(e) requires that the operator of a suspended well maintain the integrity of the location, provide the AOGCC with a status report every five years, and clear the location of all materials and debris.
 - o With few exceptions, none of the wells has been left in a configuration that would allow the BLM the ability to demonstrate downhole integrity.
 - o Pictures from the BLM's own report on the legacy wells show open wellbores in several cases.
 - o As also demonstrated by pictures in the BLM report, rotting lumber, rusting metal, and other debris have not been cleared from many well locations.
- 20 AAC 25.112(a) requires that all uncased portions of a wellbore be plugged in a manner that ensures that all hydrocarbons and freshwater are confined to their respective indigenous strata and are prevented from migrating into other strata or to the surface.
 - o Thirty-two of the legacy wells were never cased. No plugging operations have been performed or are planned on any of these wells. Rather, the earth has been allowed to slough in and the surface to revegetate. Although ten of these wells were drilled only to a depth of fifty feet or shallower and do not likely pose any threat of fluid migration, the remaining twenty-two wells were drilled deeper including seven wells drilled to depths beyond 1000 feet.
- 20 AAC 25.112(b), (c), (d), (e), (f), and (g) require specific procedures to ensure proper abandonment of a well.
 - o Five of the approximately ten wells that have actually been abandoned do not meet all of the requirements of these regulations.
- 20 AAC 25.112(h) requires an operator to give the AOGCC at least 24 hours notice prior to commencing plugging operations so that a representative of the AOGCC can witness or waive the right to witness the operations.
 - o Four wells were plugged in 2004 without any prior notice to the AOGCC.
- 20 AAC 25.507 (a) requires an operator to obtain prior approval when a substantive change in a previously approved activity is needed.
 - o In many cases actual wellwork was substantially different from what was proposed and authorized, yet no request was ever made for approval of the change.
 - o In many of these cases, the actual work did not result in the well being plugged in compliance with AOGCC regulations.