

## **General Guidelines for Not Completed - Waiver of Wells**

### **Policy Goal:**

The North Dakota Industrial Commission (NDIC) is charged with "fostering, ... encouraging, and ... promoting the development, production, and utilization of the state's natural resources of oil and gas in the state in such a manner as will prevent waste." The Commission is promulgating this Policy to prevent waste.

North Dakota Century Code § 38-08-04(1)(a)(12) and North Dakota Administrative Code (NDAC) § 43-02-03-55(1) define what constitutes abandonment of a well and the operator's obligation to plug such a well and reclaim its site.

NDAC §§ 43-02-03-55(2) and 43-02-03-55(4) allow the Director to give the operator of an abandoned well sufficient time either to restore production or plug the well and reclaim its site.

This Policy does nothing to change the existing text or application of NDAC § 43-02-03-55(2) to a well which has previously produced oil or gas.

NDAC § 43-02-03-55(4) allows the Director to eliminate the waste which would otherwise occur by application of NDAC § 43-02-03-55(2) to horizontal Bakken wells for which completions have been deferred.

*Due to the uncertain commodity prices resulting in financial hardship, some operators may desire to postpone completion operations until oil prices improve. The Director's guidelines contained herein outline the procedure necessary to protect the environment and correlative rights and were endorsed by the Commission on May 22, 2025. The relief granted shall expire on the date the North Dakota Department of Transportation lifts the State Highway load limit restrictions in 2027.*

*Not Completed - Waiver (NCW) Status may only be given to wells that have been drilled but whose casing has not yet been perforated (i.e., the well is incapable of producing oil or gas because completion operations have not yet been performed).*

### **1. NCW Approval Procedure**

- A. The operator must submit a Sundry Notice to request a waiver to plug an abandoned well and reclaim its site pursuant to NDAC § 43-02-03-55(4). The request must include:
  1. A current well bore schematic that identifies the dimensions and depths of casing, tubing, liner(s), and frac string installed in the well; completion design for the well including toe design (i.e., wet shoe); type and density of all fluids in the well in the intermediate casing and frac string; and wellhead equipment.



2. Documentation that a successful pressure test was performed which adequately tested the integrity of the intermediate casing to a minimum pressure of one thousand five hundred pounds per square inch [10350 kilopascals] gauge for thirty minutes as required by NDAC § 43-02-03-21. If a successful pressure test is unable to be performed, the subject well may be considered for TATD status pursuant to General Guidelines for Suspension of Drilling Wells.
3. Documentation that a successful negative pressure test of the production liner was performed. The pressure must have been bled off and a flow check performed. If no flow was observed the integrity of the liner below the liner hanger will be considered proven.
4. A cement evaluation log and the intermediate casing cementing job report. In addition, if a liner was run and cemented, the liner cement report must be included.
5. Statement that wellhead equipment complies with NDAC §§ 43-02-03-28 and 43-02-03-29.
6. Affirmation that gauges were installed on all annuli in the well.
- B. A file review will be performed by the Department of Mineral Resources prior to approving or denying the request.
- C. The Director may extend a well's NCW status beyond one year.

## **2. Inspections & Monitoring Requirements**

- A. Well must be inspected by the operator at least once per quarter for pressure or leakage on the surface casing, the intermediate casing, and frac string and conduct additional monitoring during offset fracture operations. If pressure is present, the operator must notify the Department of Mineral Resources immediately and relieve the pressure. The operator must re-check the pressure gauges within 48 hours for pressure buildup.
- B. If any leakage is discovered, the operator must notify the Department of Mineral Resources immediately.

## **3. Revocation of NCW Status**

- A. Fails inspection and monitoring requirements in part 2 above.
- B. Reason for NCW no longer valid.
- C. Consideration of mineral/landowner/Department of Mineral Resources (including field inspector) concerns.

## **4. Access to Well Sites**

Reasonable access to NCW well sites must be maintained.

## **5. Other**

Upon notice from the Department of Mineral Resources that a well drilled on a multi-well pad has met the definition of what constitutes abandonment of the well, the operator may apply for additional time to obtain NCW or TATD status by documenting the date that each

well drilled on the multi-well pad during continuous drilling operations reached total depth. The Department of Mineral Resources may grant an extension of the Not Completed (NC) well status to one year following the date the last well drilled on the multi-well pad during continuous drilling operations reached total depth.

***Note: The foregoing are guidelines only and may be altered for good cause to meet specific conditions.***

## **Reference**

### **Requirements of NDAC § 43-02-03-55 (in relevant part)**

1. *The removal of production equipment or the failure to produce oil or gas for one year constitutes abandonment of the well. An abandoned well must be plugged and its site must be reclaimed pursuant to sections 43-02-03-34 and 43-02-03-34.1.*
4. *...the director may also waive the duty to plug and reclaim an abandoned well for any other good cause found by the director. If the director exercises this discretion, the director shall set a date or circumstance upon which the waiver expires.*

### **Requirements of NDAC § 43-02-03-21 (in relevant part)**

*All wells drilled shall be constructed with strings of casing which must be properly cemented at sufficient depths to adequately protect and isolate all formations containing water, oil, or gas or any combination of these; protect the pipe through salt sections encountered; and isolate the uppermost sand of the Dakota group.*

*Each surface casing string must be tested by application of pump pressure of at least one thousand pounds per square inch [6900 kilopascals] and each other casing string shall be tested by application of pump pressure of at least one thousand five hundred pounds per square inch [10350 kilopascals] immediately after cementing, while the cement is in a liquid state, or the casing string must be pressure tested after all cement has reached five hundred pounds per square inch [3450 kilopascals] compressive strength. If, at the end of thirty minutes, this pressure has dropped more than ten percent, the casing must be repaired after receiving approval from the director. Thereafter, the casing again must be tested in the same manner. Further work may not proceed until a satisfactory test has been obtained. The casing in a horizontal well may be tested by use of a mechanical tool set near the casing shoe after the horizontal section has been drilled.*