



March 28, 2023

Open Sidetrack Abandonment Policy:

The intent of this letter is to alert oil and gas well operators within the state of North Dakota of the North Dakota Industrial Commission's (NDIC) mandatory plugging requirements on all unintentional sidetracks outside of the approved stratigraphic pool or spacing/drilling unit as defined within its field orders:

Pursuant to **North Dakota Administrative Code Section 43-02-03-34** which states in part:

All wells shall be plugged in a manner which will confine permanently all oil, gas, and water in the separate strata originally containing them. This operation shall be accomplished by the use of mud-laden fluid, cement, and plugs, used singly or in combination as may be approved by the director. All casing strings shall be cut off at least three feet [91.44 centimeters] below the final surface contour, and a cap with file number shall be welded thereon. Core or stratigraphic test holes drilled to or below sands containing freshwater shall be plugged in accordance with the applicable provisions recited above.

1. If an operator has intentionally or unintentionally drilled a sidetrack outside of the approved objective stratigraphic pool or spacing/drilling unit, that operator shall notify the NDIC Field Inspector immediately of the situation.
2. The sidetrack shall be properly isolated with cement by the operator in compliance with the following NDIC Guidelines after approval from NDIC Field Inspector and staff in a manner which ensures the NDIC regulations have been met and neighboring spacing/drilling units correlative rights will not be impacted:
 - a. Plugging Fluids
 - b. Cement plug placement procedures
 - c. Cement requirements
 - d. Zone isolation
 - i. A balanced plug to cover all potential production zones.
 - ii. A balanced plug to cover all Nitrogen-bearing zones.
 - iii. A balanced plug to isolate the Dakota.
 - iv. A balanced plug to isolate the Fox Hills
 - v. A balanced plug at the base of the Surface Casing.

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3. The NDIC may require multiple attempts be made for entry into the sidetrack to allow for proper isolation.
4. If the sidetrack is within a disposal or injection zone, or at a problematic depth in a confining zone, the NDIC may require notification of nearby saltwater disposal or injection well operators.
5. The improper abandonment of a sidetrack may result in the following:
 - a. Prohibition of completing a portion of the lateral;
 - b. Additional setback distances or completion exclusion areas for wells yet to be drilled or completed on the same pad;
 - c. Additional setback distances or completion exclusion areas for wells yet to be drilled or completed in the same spacing unit;
 - d. Additional setback distances or completion exclusion areas for wells yet to be drilled or completed in offsetting spacing units.
6. In some cases, the operator of the nearby disposal or injection well may be subject to a reduction of their approved injection pressure and/or rate if proper sidetrack isolation is not achieved, or the offending well with the improperly isolated sidetrack may be required to be plugged and abandoned.

The operator of a well with an improperly isolated sidetrack may be required to do one of the following:

1. Make an application to the Commission for a hearing requesting an exception to allow the completion of the wellbore;
2. Plug the entire wellbore;
3. Respond to a complaint filed against them.