

## AOGCC PROPOSED REGULATORY CHANGES

The following regulations are proposed for repeal:

- **20 AAC 25.225. Potential of Gas Wells.**
  - This regulation requires that all gas wells be tested by a multi-point back-pressure method before regular production. Test results and calculations must be reported to the commission on the Gas Well Open Flow Potential Test Report within 30 days.
  - This requirement is outdated. These reports are not used by the AOGCC in any decision-making capacity. Eliminating the requirement for them and only requiring the operator submit a test report, in whatever format they normally receive them, if they choose to conduct one, would remove an unnecessary testing and reporting burden from the operator.
  
- **20 AAC 25.037. Well control requirements for other drilling and completion operations.**
  - This regulation gives the AOGCC authority to approve alternate well control procedures and equipment than what is required under 20 AAC 25.033 (Primary Well Control for Drilling), 20 AAC 25.035 (Secondary Well Control for Primary Drilling and Completion: Blowout Prevention Equipment and Diverter Requirements), and 20 AAC 25.036 (Secondary Well Control for Through-Tubing Drilling and Completion: Blowout Prevention Equipment Requirements), if the procedures and equipment in place are adequate to maintain well control.
  - This section is unnecessary and duplicative as it is covered adequately in other sections. Specifically, 20 AAC 25.033(j), 20 AAC 25.035(h), and 20 AAC 25.036(f) all provide opportunities for variances from the above mentioned well control requirements.
  
- **20 AAC 25.047. Reserve Pits and Tankage.**
  - This regulation requires prior to drilling, the construction of a reserve pit or installation of a storage tank for the collection and confinement of drilling fluids and cuttings. The regulation further requires the operator to leave the reserve pit in a condition that is not a hazard to freshwater.
  - This regulation is outdated and outside the authority of AOGCC and is more substantively covered by ADEC regulations. ADEC regulates the storage of drilling waste (18 AAC 60.430), drilling waste monofills (18 AAC 60.432), and closure of inactive reserve pits (18 AAC 60.440).
  - ADEC has confirmed to AOGCC that they do not refer to 20 AAC 25.047. Specifically, 18 AAC 60.430 requires a storage plan to be submitted to ADEC at least 30 days in advance of beginning operations. Storage may not begin until the storage plan is approved. ADEC's storage plan must include:
    - Responsible parties for conducting the drilling activity
    - Location and type of storage container
    - Plans and material specs of container
    - Methods to prevent discharge of drilling waste

- Location transferred drilling waste
  - Anticipated dates of storage and removal
  - Location of ultimate disposal of drilling waste
  - Certification that waste will be removed from property no later than one year from permit issuance
- **20 AAC 25.245. Common Production Facilities.**
  - This regulation allows common production facilities from any number of wells or pools to be used if appropriate measuring equipment is installed so that production from each well can be determined by the AOGCC.
  - This regulation is redundant with requirements for custody transfer measurement (.228) and allocation measurement (.230) and can be eliminated completely.
- **20 AAC 25.260. Illegal production.**
  - This regulation prohibits anyone from producing or transporting crude oil or natural gas when in violation of the regulations and orders of the commission.
  - This is extremely vague and overly broad. AOGCC would benefit from greater flexibility through utilizing emergency actions using authority under 20 AAC25.539 and through our robust enforcement program than a rigid regulation.
- **20 AAC 25.528. Open Pit Storage of Oil.**
  - This regulation provides, in an emergency, the ability for an operator to store crude oil in an open earth containment or in an open receptacle.
  - There is no specific statute that applies to AOGCC providing authority for this regulation. ADEC would be the more appropriate agency of jurisdiction.
- **20 AAC 25.320. Filing of Forms.**
  - If a form is to be filed or submitted, this regulation requires original signatures with exception, along with appropriate copies.
  - This regulation is unnecessary and can be better handled by a guidance document.