



October 5, 2022

Industry Guidance Bulletin 22-002
Interwell Spacing Requirements

Regulations Impacted 20 AAC 25.055(a)(3)&(4) and 20 AAC 25.055(b)&(c)

On June 29, 2022, House Bill 349 (HB 349) “Relating to the establishment of oil and gas drilling units, spacing, and patterns; providing for the transfer of and addition of names to a personal use cabin permit for a cabin on state land” was signed into law, and per the Constitution of the State of Alaska a bill becomes law 90 days after the governor signs it. Accordingly, September 27, 2022 is the date this law became effective.

HB 349 changed portions of AS 31.05.100 that govern spacing between wells within a pool. The practical implication of this change is that Regulations 20 AAC 25.055(a)(3)&(4) and 20 AAC 25.055(b)&(c) are no longer supported by the Alaska Statutes and thus are no longer enforceable. Additionally, any interwell spacing requirements specified by any order issued by the Alaska Oil and Gas Conservation Commission (AOGCC) are now moot.

The AOGCC will update the Regulations to eliminate interwell-spacing requirements and will conduct a review of active orders to determine if there are any orders or portions of orders related to interwell spacing that should be rescinded. Since those tasks will be time consuming, the AOGCC is issuing this Industry Guidance Bulletin to inform operators that interwell-spacing regulations and interwell-spacing orders or portions of orders are no longer valid.

Because HB 349 only impacts interwell spacing, Regulations 20 AAC 25.055(a)(1)&(2) and all orders that pertain to offset distances from property lines remain in effect

Please share this Guidance Bulletin with appropriate members of your organizations. Questions regarding this guidance should be directed to Steve Davies at steve.davies@alaska.gov or (907) 793-1224.

Sincerely,
Jessie L.
Chmielowski

Digitally signed by Jessie L.
Chmielowski
Date: 2022.10.05 13:29:42
-08'00'

Jessie L. Chmielowski
Commissioner