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H. B. 2946

(By Delegates Miley, Anderson, Westfall, Manchin, Ireland
Longstreth ad McCuskey)

[Introduced February 24, 2015; referred to the
Committee on Energy then the Judiciary.]

A BILL to amend and reenact §22C-8-8 of the Code of West Virginia, 1931, as amended, relating to the spacing of shallow horizontal wells on a multiwell pad; and authorizing the Shallow Gas Well Review Board to grant waivers of minimum distance requirements for shallow wells, to encourage and accommodate pad drilling of multiple oil or gas wells from the same target formation.

Be it enacted by the Legislature of West Virginia:

That §22C-8-8 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 8. SHALLOW GAS WELL REVIEW BOARD.

§22C-8-8. Distance limitations.

(a) If the well operator and the objecting coal seam owners present or represented at the time and place fixed by the chair for consideration of the objections to the proposed drilling location are unable to agree upon a drilling location, then the written order of the board shall direct the director to refuse to issue a drilling permit unless the following distance limitations are observed:

1 (1) For all shallow wells with a depth less than three thousand feet, there shall be a minimum
2 distance of one thousand feet from the drilling location to the nearest existing well as defined in
3 subsection (b) of this section; and

4 (2) For all shallow wells with a depth of three thousand feet or more, there shall be a
5 minimum distance of one thousand five hundred feet from the drilling location to the nearest existing
6 well as defined in subsection (b) of this section, except that where the distance from the drilling
7 location to such nearest existing well is less than two thousand feet but more than one thousand five
8 hundred feet and a coal seam owner has objected, the gas operator ~~shall have~~ has the burden of
9 establishing the need for the drilling location less than two thousand feet from such nearest existing
10 well. Where the distance from the drilling location proposed by the operator or designated by the
11 board to the nearest existing well as defined in subsection (b) of this section is greater than two
12 thousand feet, distance criterion will not be a ground for objection by a coal seam owner.

13 (b) The words "existing well" as used in this section means: (i) Any well not plugged within
14 nine months after being drilled to its total depth and either completed in the same target formation
15 or drilled for the purpose of producing from the same target formation; and (ii) any unexpired,
16 permitted drilling location for a well to the same target formation.

17 (c) The minimum distance limitations established by this section shall not apply if the
18 proposed well be drilled through an existing or planned pillar of coal required for protection of a
19 preexisting oil or gas well and the proposed well will neither require enlargement of such pillar nor
20 otherwise have an adverse effect on existing or planned coal mining operations.

21 (d) The board may grant waivers of any minimum distance requirements set forth in this
22 section to encourage and accommodate pad drilling of multiple oil or gas wells from the same target

1 formation.

2 ~~(d)~~ (e) Nothing in this article shall be construed to ~~empower~~ empowers the board to order the
3 director to issue a drilling permit to any person other than the well operator filing the application
4 which is the subject of the proceedings.

NOTE: The purpose of this bill is to authorize the Shallow Gas Well Review Board to grant waivers of minimum distance requirements for shallow wells, to encourage and accommodate pad drilling of multiple oil or gas wells from the same target formation.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.