

Senate Bill No. 564

(By Senator Trump and Nohe)

[Introduced February 23, 2015; referred to the Committee on Energy, Industry and Mining; and
then to the Committee on the Judiciary.]

A BILL to amend and reenact §22C-8-8 of the Code of West Virginia, 1931, as amended, relating
to spacing of shallow horizontal wells on multiple well pads; and authorizing Shallow Gas
Well Review Board grant waivers of minimum distance requirements for shallow wells.

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) For all shallow wells with a depth less than three thousand feet, there shall be a minimum

1 distance of one thousand feet from the drilling location to the nearest existing well as defined in
2 subsection (b) of this section; and

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

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

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

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

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