

FEES FOR PERMIT TO DRILL OIL/GAS WELL

<u>Jurisdiction</u>	<u>Fee</u>
Federal & Indian lands	\$10,050
West Virginia	\$550-10,150+
Ohio	\$500-5,500
Texas	\$500-1,125
Pennsylvania	\$900-5,600 (horizontal); \$250-2,250 (vertical)
Louisiana	\$126-2,528
Wyoming	\$500
California	Collected by local jurisdiction (examples below)
City of San Clemente	\$500
Sutter County	\$500
Santa Barbara County	\$493
Oklahoma	Collected by local jurisdiction (example below)
Oklahoma City	\$1,100-2,750
North Dakota	\$100
Montana	\$25-150
Alaska	\$0
Colorado	\$0
Kansas	\$0
New Mexico	\$0
Utah	\$0

When a jurisdiction's fee for an application for permit to drill varies, it is usually because it charges a different fee based on the depth of the borehole, the location of the well, or the type of well. Other factors that can change the fee include if forced pooling is used for the well or different duration of the permit validity.

- Depth of borehole: Texas, Pennsylvania, Louisiana, Montana
- Location: Ohio, Pennsylvania
- Type of well: West Virginia, Pennsylvania
- Forced pooling: Ohio
- Duration of permit: Louisiana

STATUTES, RULES, AND POLICIES FOR JURISDICTIONS**Federal & Indian lands: \$10,050**

The Bureau of Land Management announced a congressionally mandated hike in the amount paid by producers to process drilling applications on federal and Indian lands. Effective Oct. 3, 2018, the non-refundable fee is \$10,050, an increase of \$260

<https://www.blm.gov/policy/im-2019-001>

West Virginia: up to \$10,150+

<u>Well Work Fees</u>	<u>Amount</u>
Well work fee for initial horizontal well on a pad	\$10,000
Well work fee for additional horizontal well(s) on a pad	\$5,000

Well work fee for deep well work except plugging	\$650
Well work fee for CBM well work except plugging	\$650
Well work fee for shallow well work except plugging	\$400
Fee for permit to dispose of well work fluids	\$100
Well fee to go into the reclamation fund for each permit except pluggings	\$150
Well work fee to convert an existing shallow well to an injection well without land application	\$550
Well work for fee to convert an existing deep well into an injection well without land application	\$800

<https://dep.wv.gov/oil-and-gas/GI/Pages/Fee%20Schedule.aspx>

Ohio: \$500-5,500

OH Revised Code 1509.06 (G)

(G) Each application for a permit required by section 1509.05 of the Revised Code, except an application for a well drilled or reopened for purposes of section 1509.22 of the Revised Code, also shall be accompanied by a nonrefundable fee as follows:

- (1) Five hundred dollars for a permit to conduct activities in a township with a population of fewer than ten thousand;
- (2) Seven hundred fifty dollars for a permit to conduct activities in a township with a population of ten thousand or more, but fewer than fifteen thousand;
- (3) One thousand dollars for a permit to conduct activities in either of the following:
 - (a) A township with a population of fifteen thousand or more;
 - (b) A municipal corporation regardless of population.
- (4) If the application is for a permit that requires mandatory pooling, an additional five thousand dollars.

For purposes of calculating fee amounts, populations shall be determined using the most recent federal decennial census.

Each application for the revision or reissuance of a permit shall be accompanied by a nonrefundable fee of two hundred fifty dollars.

<http://codes.ohio.gov/orc/1509.06>

<https://oilandgas.ohiodnr.gov/portals/oilgas/pdf/FEE-SCHEDULE.pdf>

Texas: \$500-1,125

16 TAC 3.78 (b)

(b) Filing fees. The following filing fees are required to be paid to the Railroad Commission.

(1) With each application or materially amended application for a permit to drill, deepen, plug back, or reenter a well, the applicant shall submit to the Commission a nonrefundable fee of:

- (A) \$200 if the proposed total depth of the well is 2,000 feet or less;
- (B) \$225 if the proposed total depth of the well is greater than 2,000 feet but less than or equal to 4,000 feet;
- (C) \$250 if the proposed total depth of the well is greater than 4,000 feet but less than or equal to 9,000 feet; or
- (D) \$300 if the proposed total depth of the well is greater than 9,000 feet.

(2) An application for a permit to drill, deepen, plug back, or reenter a well will be considered materially amended if the amendment is made for a purpose other than:

- (A) to add omitted required information;

- (B) to correct typographical errors; or
- (C) to correct clerical errors.

(3) An applicant shall submit an additional nonrefundable fee of \$150 when requesting that the Commission expedite the application for a permit to drill, deepen, plug back, or reenter a well.

(4) With each individual application for an exception to any rule or rules in this chapter, the applicant shall submit to the Commission a nonrefundable fee of \$150, except as provided in paragraph (5) of this subsection.

(5) With each application for an exception to any rule or rules in this chapter that includes an exception to §3.37 of this title (relating to Statewide Spacing Rule) (Statewide Rule 37) or §3.38 of this title (relating to Well Densities) (Statewide Rule 38), the applicant shall submit a nonrefundable fee of \$200.

<http://www.rrc.state.tx.us/oil-gas/applications-and-permits/fees-surcharges/>

- Surcharge of 150% per permit
- Expedited fee: \$375

<http://www.rrc.state.tx.us/media/7274/surcharges-021412.pdf>

Pennsylvania: \$250-5,600

- Vertical Well fee: \$250-2,250 (depending on length of borehole)
- Horizontal Well / Marcellus Shale fee: \$900-5,600 (depending on length of borehole)
 - <http://www.dep.state.pa.us/dep/deputate/minres/oilgas/2011Permitcalculator.htm>

PA Statute 58-3211 (d)

(d) Permit fee. -- Each application for a well permit shall be accompanied by a permit fee, established by the Environmental Quality Board, which bears a reasonable relationship to the cost of administering this chapter.

- <http://www.legis.state.pa.us/WU01/LI/LI/CT/HTM/58/00.032..HTM>

PA Code 78.19 – conventional well fee

- <https://www.pacode.com/secure/data/025/chapter78/s78.19.html>

Louisiana: \$126-2,528

LA Rev Stat § 30:28

Statewide Order No. 29-R-18/19

Application for Permit to Drill – Minerals: 0’-3,000’ (6 months)	\$126
Application for Permit to Drill – Minerals: 3,001’-10,000’ (6 months)	\$631
Application for Permit to Drill – Minerals: 10,001’ + (6 months)	\$1,264
Application for Permit to Drill – Minerals: 0’-3,000’ (1 year)	\$252
Application for Permit to Drill – Minerals: 3,001’-10,000’ (1 year)	\$1,262
Application for Permit to Drill – Minerals: 10,001’ + (1 year)	\$2,528

[LA Rev Stat § 30:28](http://www.dnr.louisiana.gov/assets/OC/Rules/29-RFY1819.pdf)

<http://www.dnr.louisiana.gov/assets/OC/Rules/29-RFY1819.pdf>

Wyoming: \$500

Wyoming Code Chapter 3. Section 8. Application for Permit to Drill or Deepen a Well (Form 1).

(a) Before any owner or operator shall spud in anticipation of drilling any well on fee, patented, state, or federal lands, or deepen/re-enter any such well(s) by drilling to a lower formation, such owner or operator shall file an Application for Permit to Drill or Deepen (Form 1) with the

Commission and pay a fee of five hundred dollars (\$500.00) for a permit. No well pad construction activity shall commence until such application is approved and a permit to drill is issued by the Commission. For good cause, the Supervisor may approve pad construction after an application for permit to drill has been received.

<http://pipeline.wyo.gov/wogcchelp/commission.html>

California: Fee collected by local jurisdiction

City of San Clemente, California: \$500

Code of Ordinances 5.32.50 – Application for permit – Interests to be protected – Permit fee

(H) A permit fee in the amount of five hundred dollars (\$500.00) shall be paid by each applicant for each well drilled or proposed to be drilled upon a controlled drilling site.

https://library.municode.com/ca/san_clemente/codes/code_of_ordinances?nodeId=TIT5BULIRE_CH5.32OIGADROP

Sutter County, California: \$500

https://www.suttercounty.org/assets/pdf/cs/ps/gas_oilwell_application.pdf

Santa Barbara County, California: \$493

<http://www.sbcountyplanning.org/pdf/fees/Fee%20Schedules%20Effective%206-3-17%20rev%206-22-17.pdf>

<http://www.sbcountyplanning.org/energy/petroleum/documents/Application%20for%20Permit%20to%20Drill.pdf>

Oklahoma: Fee collected by local jurisdiction

Oklahoma City: \$1,100-2,750

§ 60-37-6. - Well permit.

(a) application fee for original well or for conversion of original well to enhanced recovery or disposal well, nonrefundable \$ 550.00

(b) drilling and operating permit fee for original well, nonrefundable 2,200.00

(c) operating permit fee for conversion of original well to enhance recovery of disposal well, nonrefundable 550.00

(d) plugging fee:

(1) plugging application fee, nonrefundable 550.00

(2) plugging permit fee, nonrefundable 550.00

https://library.municode.com/ok/oklahoma_city/codes/code_of_ordinances?nodeId=OKCIMUCO2010_CH60GESCFE_TIT37OIGA_ARTIADENPE_S60-37-6WEPE&showChanges=true

North Dakota: \$100

NDCC 43-02-03-16. APPLICATION FOR PERMIT TO DRILL AND RECOMPLETE.

Before any person shall begin any well-site preparation for the drilling of any well other than surveying and staking, such person shall file an application for permit to drill (form 1) with the director, together with a permit fee of one hundred dollars.

<https://www.dmr.nd.gov/oilgas/rules/rulebook.pdf>

<https://www.dmr.nd.gov/oilgas/rules/forms/form1.PDF>

Montana: \$25-150

MT Admin Rule 36.22.603 PERMIT FEES

(1) Notice of intention to drill an oil or gas well or stratigraphic test well or core hole shall also be accompanied by payment of a fee, as follows:

(a) for each well whose estimated depth is 3500 feet or less, \$25.00;

(b) from 3501 feet to 7000 feet, \$75.00;

(c) 7001 feet and deeper, \$150.00.

<http://www.mtrules.org/gateway/RuleNo.asp?RN=36%2E22%2E603>

Alaska: \$0

Alaska used to charge \$100/permit but repealed the rule in 2013

20 AAC 25.005 Permit to Drill

(c)(1) repealed 4/4/2013

<http://www.legis.state.ak.us/basis/aac.asp#20.25.005>

Colorado: \$0 (but may charge up to \$200)

CRS 34-60-106(1)(f)

(f) That no operations for the drilling of a well for oil and gas shall be commenced without first giving to the commission notice of intention to drill and without first obtaining a permit from the commission, under such rules and regulations as may be prescribed by the commission, and paying to the commission a filing and service fee to be established by the commission for the purpose of paying the expense of administering this article as provided in section 34-60-122, which fee may be transferable or refundable, at the option of the commission, if such permit is not used; but no such fee shall exceed two hundred dollars;

COGCC Rule 303(a)(4)

(4) Filing Fees. A Form 2, Application for Permit-to-Drill, shall be submitted with a filing and service fee established by the Commission (see Appendix III). Wells drilled for stratigraphic information only shall be exempt from paying the filing and service fee.

<http://cogcc.state.co.us/documents/reg/Rules/LATEST/300Series.pdf>

<http://cogcc.state.co.us/documents/reg/Rules/LATEST/AppendixIII.pdf>

Kansas: \$0 (but may charge up to \$300)

KSA 55-151. Application of intent to drill wells; fee and contents; information to department of health and environment and county clerk; approval of application, when; conditions; compliance with rules and regulations.

(b) No change in the use of a well shall be made without express approval of the commission. The state corporation commission shall have the authority to adopt rules and regulations to fix, charge and collect a fee for an application of intent to drill a well, except that such fee for an application of intent to drill a well shall not exceed \$300. No drilling shall be commenced until the authorized agents of the commission have approved the application. The agent, in giving approval, shall determine that the proposed construction of the well will protect all usable waters. Such approval shall include the amount of pipe necessary to protect all usable water, plugging requirements upon abandonment and such other requirements deemed appropriate by the commission. The commission may refuse to process any application submitted pursuant to this

section unless the applicant has been in compliance with all rules and regulations adopted pursuant to this act.

https://www.ksrevisor.org/statutes/chapters/ch55/055_001_0051.html

New Mexico: \$0

NMAC 19.15.14

<http://www.emnrd.state.nm.us/OCD/documents/SearchablePDFofOCDTitle19Chapter15-Revised10-5-16.pdf>

Utah: \$0

R649-3-4. Permitting of Wells to be Drilled, Deepened or Plugged-Back

<https://rules.utah.gov/publicat/code/r649/r649-003.htm#T4>

RATIONALE FOR INCLUDING THESE STATES

The states picked for this comparative document are either the largest oil/gas producing states or neighboring states of Colorado.

Crude Oil Production, 2017 (thousand barrels)

1. Texas 1,272,575
2. North Dakota 392,127
3. Alaska 180,467
4. California 174,107
5. Oklahoma 165,920
6. New Mexico 171,440
7. Colorado 130,732
8. Wyoming 75,669
9. Louisiana 52,024
10. Kansas 35,822
11. Utah 34,205

https://www.eia.gov/dnav/pet/pet_crd_crpdn_adc_mbb1_a.htm

Natural Gas Gross Withdrawals and Production, 2018 (million cubic feet)

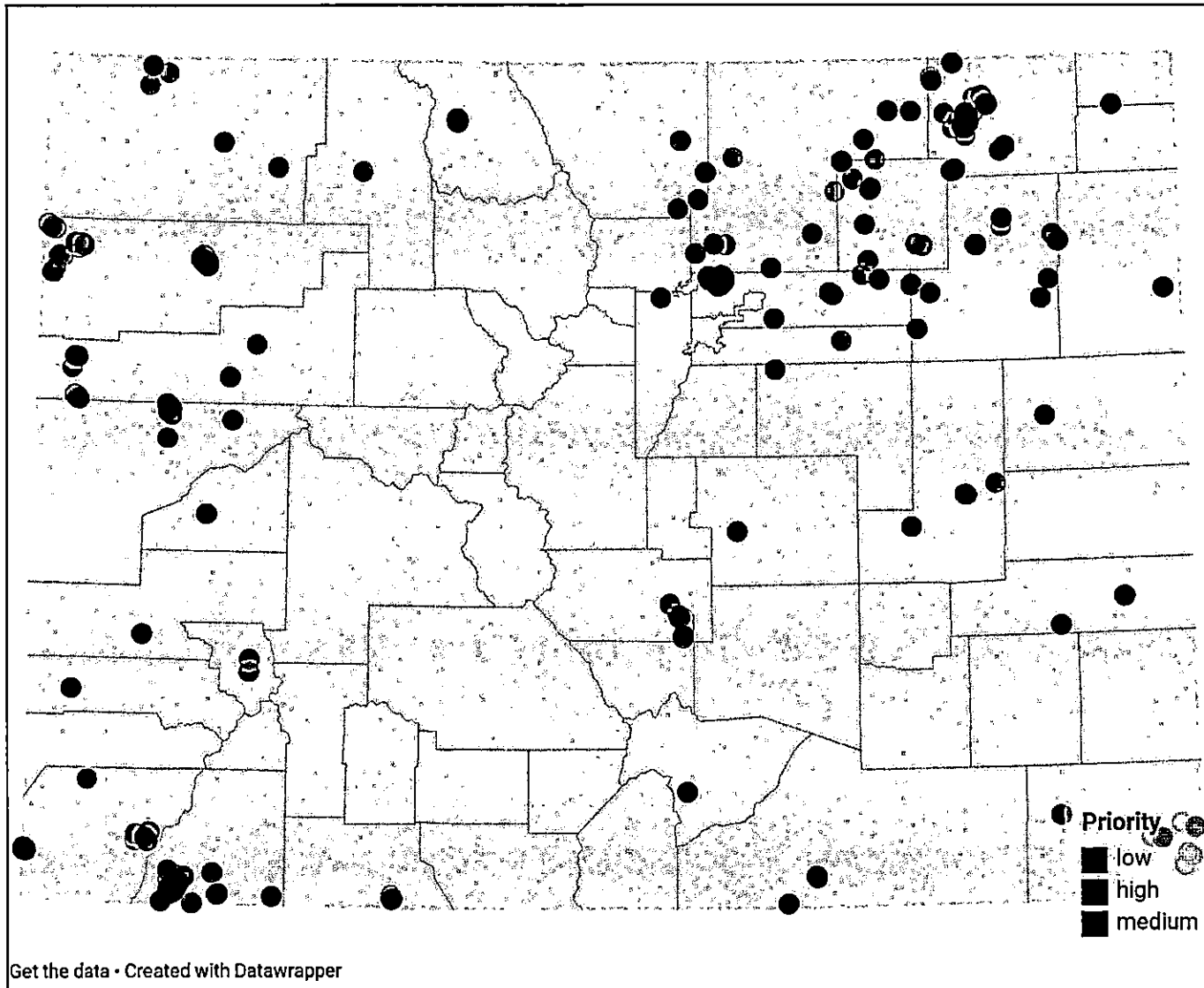
1. Texas 8,803,646
2. Pennsylvania 6,206,672
3. Alaska 3,254,747
4. Oklahoma 2,942,478
5. Louisiana 2,828,498
6. Ohio 2,383,174
7. Colorado 1,830,477
8. West Virginia 1,799,029
9. Wyoming 1,721,662
10. New Mexico 1,525,229

https://www.eia.gov/dnav/ng/ng_prod_sum_a_EPG0_FGW_mmcf_a.htm

FINANCIAL ASSURANCE – STATEWIDE BOND

<u>Jurisdiction</u>	<u>Fee</u>	<u>Citation(s)</u>
Pennsylvania	\$430,000-600,000 (150+)	58 Pa.C.S. §3225
California	\$400,000 (50+)	PRC 3202(e), 3204, 3207
Texas	\$250,000 (100+)	Texas Natural Resources Code §§91.104, 91.1041, 91.1042, 91.109(b), Oil/Gas Statewide R.78
West Virginia	\$250,000	WV Code 22-6A-15
Louisiana	\$250,000 (land)	LA Regulation 43:XIX.104
New Mexico	\$250,000 (100+)	NMAC 19.15.8.9
Alaska	\$200,000	20 AAC 25.025
Federal & Indian lands	\$150,000 (nationwide)	43 CFR 3104
Utah	\$120,000	R649-3-1.6
Wyoming	\$100,000	WY Code Ch. 3, Sec. 4
North Dakota	\$100,000	NDAC 43-02-03-15
Colorado	\$100,000 (100+)	COGCC Rule 706
Montana	\$50,000	MT 36-22-1308
Kansas	\$45,000 (25+)	K.A.R. 82-3-120
Oklahoma	\$25,000	OAC 165: 10-1-10 thru 10-1-16
Ohio	\$15,000	O.A.C. 1501:9-1-03

COGCC identified Orphan Wells and Orphan Sites, as of August 1, 2018



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