

WYOMING OIL & GAS CONSERVATION COMMISSION  
2211 King Boulevard  
Casper, WY 82604  
Ph. 307.234.7174

STATE ENGINEER'S OFFICE  
Herschler Building, 4th Floor  
Cheyenne, WY 82002  
Ph. 307.777.6150  
Fax 307.777.5898

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\*\*\*PRESS RELEASE\*\*\*FOR IMMEDIATE RELEASE\*\*\*\*\*

Contact: Greg Lanning, Deputy State Engineer  
Office 307.777.6150

**OIL AND GAS SUPERVISOR AND STATE ENGINEER ISSUE GUIDANCE LETTER ON COAL BED METHANE WELL TRANSFERS FOR DOMESTIC AND STOCK USE**

Coal bed methane wells are wells drilled into a coal seam to capture and produce gas. The process includes pumping water to the surface to release the gas. As gas production subsides the wells are either reclaimed, or in some cases can be converted for use as a water source. Although coal bed methane wells are scattered throughout the state, the majority of wells are in northeast Wyoming.

As agency directors in charge of managing the State of Wyoming's non-federal mineral and water resources, the Wyoming Oil and Gas Conservation Commission Supervisor Grant Black, and the State Engineer Patrick Tyrrell have written a guidance letter to explain the details of the proper conversion of coal bed methane wells for domestic and stock use.

Landowners may be approached by CBM well operators with an offer to transfer well to the landowner and at the same time allowing release of the WOGCC bond on the well(s) and possibly the operator of the responsibility of plugging, abandoning and reclaiming the well. There are other cases where a landowner is interested in taking responsibility for an orphaned CBM well and converting it for use as a stock or domestic well. "These conversions, at their core, are something we support", say Supervisor Black and State Engineer Tyrrell. "It makes use of an existing asset, can provide water for people and animals, and can have positive benefits for wildlife, including sage grouse".

The questions become those of scope, process, and information. Questions for consideration include: How many wells should be converted in a defined area? What do the landowner and operator have to do with both our agencies to make sure the conversion is acceptable? What happens to the wellbore, and any associated liability, if turned over to a landowner and never recompleted or fully plugged and abandoned? Converting wells without analysis and proper approval will lead to potential liabilities for landowners and the potential risk that may be imposed upon mineral and groundwater resources.

The guidance letter will be posted on the web site of the two agencies. Links to both sites can be found on the State of Wyoming website. The guidance letter is two pages with an additional page as an attachment listing the steps and actions necessary to transfer a well.

You may contact the Cheyenne office at 307-777-6150.

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