

805 KAR 1:180. Production reporting.

RELATES TO: KRS 353.550(1), 349.040, 349.155, 349.570, 353.991

STATUTORY AUTHORITY: KRS 349.115, 353.540, 353.550(4), 353.670(1)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 353.550(1) and KRS 349.115 authorizes the Department for Natural Resources to promulgate administrative regulations requiring an operator of oil and gas properties in the Commonwealth to identify producing leases. KRS 349.115 authorizes the department to promulgate administrative regulations to implement KRS Chapter 349. This administrative regulation is necessary to specify the requirement of annual reporting, the content of the report, and the form on which the report shall be made.

Section 1. Annual Report of Monthly Production.

(1) An oil or gas operator shall:

- (a) Compile and retain records of the monthly production of natural gas and crude oil; and
- (b) For the preceding year, file the production information with the Division by April 15.

(2) The information may be submitted to the division:

- (a) On Form OG-17, "Annual Report of Monthly Production for Natural Gas and/or Crude Oil"; or
- (b) By using:
 - 1. Common personal computer spread sheet or database software;
 - 2. An electronic mail attachment.

(3) An operator shall be permitted to submit the information in accordance with subsection (2)(b) of this section, subject to the division being able to process the production data electronically.

(4) The following shall be included in the information submitted by the operator:

- (a) Operator name and address;
- (b) Production year;
- (c) Permit number issued by the Division of Oil and Gas;
- (d) Purchaser number;
- (e) Number of wells on the lease for which the report is being filed;
- (f) Farm name, complete with the individual well name and well number;
- (g) County of production;
- (h) Producing formation or, if production is commingled from multiple wells which are not metered separately, the identification of the wells as "commingled" and the pertinent formations from which production was made;
- (i) The location of the tank battery affiliated with the well; and
- (j) Well status, identified as producing or shut-in.

(5) Production from a gas well shall be reported in Mcf of net gas sales by well. In addition to reporting net gas sales, produced gas may also be reported at the option of the operator.

(6) Monthly oil production shall be reported in barrels by individual well or by lease; if by lease, the operator shall attach to Form OG-17 a list identifying the purchaser number and division permit number of all wells producing on that lease.

(7) For a well drilled prior to the date upon which a permit for the drilling and production of a well was statutorily required, the operator shall provide a Carter Coordinate location for each well not having a location on file with the division. That location may be estimated by a topographic spot, a GPS locator, or by survey.

(8) Production information reported pursuant to this administrative regulation shall be organized into a standard format and shall be made available for public release no earlier

than January 1 nor later than March 1 of the following year.

Section 2. Penalties. If an operator does not file his production data on Form OG-17 by April 15 after each production year, the division shall notify the operator in writing of the noncompliance. If the operator does not submit all required production information within forty-five (45) days after being notified of the noncompliance, the operator shall be subject to denial of permits in accordance with KRS 353.570 or KRS 349.040 for coalbed methane wells and the penalties established in KRS 353.991(2), (3) and (4) or KRS 349.155 for coalbed methane wells.

Section 3. Incorporation by Reference.

(1) "Annual Report of Monthly Production for Natural Gas and/or Crude Oil", OG-17, October 2019 is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Department for Natural Resources, Division of Oil and Gas, 300 Sower Boulevard, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m., Eastern Prevailing Time.

(23 Ky.R. 3658; 24 Ky.R. 92; 1263; eff. 11-12-1997; TAm eff. 8-9-2007, TAm eff. 7-6-2016; Crt eff. 6-27-2018; 46 Ky.R. 689, 1513, 2071; eff. 2-3-2020.)