

Virginia Administrative Code

Table of Contents

Chapter 160	VIRGINIA GAS AND OIL BOARD REGULATIONS
Section 10	Definitions
Section 20	Authority and applicability
Section 30	Administrative provisions
Section 40	Notice of hearings
Section 50	Applications for field rules
Section 60	Applications for exceptions to minimum well spacing requirements
Section 70	Applications to pool interests in a drilling unit: conventional gas or oil or no conflicting claims to coalbed methane gas ownership
Section 80	Applications to pool interests in a drilling unit: conflicting claims to coalbed methane gas ownership
Section 90	Standards for escrow accounts
Section 100	Allowable cost which may be shared in pooled gas or oil operations
Section 110	Recordkeeping
Section 120	Applications to change the unit operator for a unit established by order of the board
Section 130	Appeals of the director's decisions
Section 140	Miscellaneous petitions to the board
Section 150	Effective dates for and enforcement of board orders
Section 160	[Repealed]
Section 190	Civil charges
Section 200	Surveys and tests
Section 210	[Repealed]

Virginia Administrative Code

Title 4. Conservation and Natural Resources

Agency 25. Department of Mines, Minerals and Energy

Chapter 160. Virginia Gas and Oil Board Regulations

4VAC25-160-10. Definitions.

The following words and terms when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:

"Act" means the Virginia Gas and Oil Act of 1990, Chapter 22.1 (§ [45.1-361.1](#) et seq.) of Title 45.1 of the Code of Virginia.

"Applicant" means a person or business who files an application, petition, appeal or other request with the Division of Gas and Oil.

"Board" means the Virginia Gas and Oil Board.

"Complete application" means all the materials required to be filed by the applicant under this chapter.

"Department" means the Department of Mines, Minerals and Energy.

"Director" means the Director of the Department of Mines, Minerals and Energy or his authorized agent.

"Directional survey" means a well survey that measures the degree of deviation of a hole, or distance, from the vertical and the direction of departure.

"Division" means the Division of Gas and Oil of the Department of Mines, Minerals and Energy.

"Division director" means the Director of the Division of Gas and Oil.

"Election" means the performance of an act within the time established or required by statute, order or regulation. An election required to be made by board order or regulation must be in writing and (i) be personally delivered to the person or agent of the person described in the order or regulation by the date established or required, or (ii) be mailed to the person or agent of the person described in the order or regulation at the address stated therein and be postmarked by the United States Postal Service before midnight on the date established or required.

"Field" means the general area underlain by one or more pools.

"Gas/oil ratio" means the product of the number of Mcf of natural gas produced from a well divided by the number of barrels of oil produced from the well as determined by a gas/oil ratio test.

"Gas well" means any well which produces or appears capable of producing a ratio of 6,000 cubic feet (6 Mcf) of gas or more to each barrel of oil, on the basis of a gas-oil ratio test.

"Inclination survey" means a well survey to determine the deviation, using the surface location of the well as the apex, of a well bore from the true vertical beneath the apex on the same horizontal subsurface plane.

"Mcf" means, when used with reference to natural gas, 1,000 cubic feet of gas at a pressure base of 14.73 pounds per square inch gauge and a temperature base of 60°F.

"Mine development plan" means a permit or license application filed with the Division of Mines or Mined Land Reclamation for legal permission to engage in extraction of coal resources.

"Oil well" means any well which produces or appears capable of producing a ratio of less than 6,000 cubic feet (6 Mcf) of gas to each barrel of oil, on the basis of a gas-oil ratio test.

"Petitioner" means any person or business who files a petition, appeal, or other request for action with the Division of Gas and Oil or the Virginia Gas and Oil Board.

"Pooling" means the combining of all interests or estates in a gas, oil or coalbed methane drilling unit for the development and operations thereof. Pooling may be accomplished either through voluntary agreement or through a compulsory order of the board.

"Respondent" means a person named in an application, petition, appeal or other request for board action and against whom relief is sought by the applicant, or a person who under the terms of a board order, is required to make an election.

"Unit operator" means the gas or oil owner designated by the board to operate in or on a pooled unit.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 1, eff. October 23, 1991; amended, [Volume 13, Issue 22](#) , eff. August 20, 1997; [Volume 29, Issue 03](#) , eff. November 8, 2012.

4VAC25-160-20. Authority and Applicability.

A. This chapter is promulgated by the Virginia Gas and Oil board pursuant to § [45.1-361.15](#) of the Code of Virginia.

B. As provided for in the Virginia Acts of Assembly, 1990, Chapter 92, all field rules and orders issued pursuant to the provisions of the Oil and Gas Act of 1982, Chapter 22 (§ 45.1-286 et seq.) of Title 45.1 of the Code of Virginia shall remain in force and effect until modified or revoked pursuant to the provisions of the Gas and Oil Act of 1990, Chapter 22.1 (§ [45.1-361.1](#) et seq.) of Title 45.1 of the Code of Virginia. The requirements of this chapter are in addition to requirements of field rules and orders.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Derived from VR480-05-22.2 § 2, eff. October 23, 1991; amended, [Volume 13, Issue 22](#) , eff. August 20, 1997.

4VAC25-160-30. Administrative Provisions.

A. The Virginia Gas and Oil Board shall meet on the third Tuesday of each calendar month unless no action is required by the board or unless otherwise scheduled by the board. All hearings shall be scheduled in accordance with the requirements for notice by publication in § [45.1-361.19](#) of the Code of Virginia. Except where otherwise established by the Act, the board may establish deadlines for filing materials for meetings or hearings scheduled on other than the third Tuesday of each month. Except where otherwise established by the Act, filings shall be in electronic form or a format prescribed by the board.

B. Applications to the board must be filed by the following deadlines:

1. All applications, petitions, appeals or other requests for board action must be received by the division at least 30 calendar days prior to the regularly scheduled meeting of the board. If the 30th day falls on a weekend or a legal holiday, the deadline shall be the prior business day.

2. When required, the following material must be filed with the division at least seven calendar days prior to the regularly scheduled meeting of the board in order for the application to be considered a complete application:

- a. The affidavit demonstrating that due diligence was used to locate and serve persons in accordance with § [45.1-361.19](#) of the Code of Virginia and [4VAC25-160-40](#); and
- b. Proof of notice by publication in accordance with [4VAC25-160-40](#) D.

C. A complete application that is not filed by the deadlines of this subsection shall be carried over to the next scheduled meeting of the board. A submission that does not contain a complete application shall not be considered by the board until the application is complete.

D. The division shall assign a docket number to each application or petition at the time of payment receipt and filing. The division shall notify the applicant of the completed filing and assigned docket number. The docket number shall be referenced when submitting material regarding the application or petition.

E. In addition to the other requirements of this chapter, applications to the board shall meet the following standards:

1. Each application for a hearing before the board shall be headed by a caption, which shall contain a heading including:
 - a. "Before the Virginia Gas and Oil Board";
 - b. The name of the applicant;
 - c. The relief sought; and
 - d. The docket number assigned by the division.

2. Each application shall be signed by the applicant, an authorized agent of the applicant, or an attorney for the applicant, certifying that, "The foregoing application to the best of my knowledge, information, and belief is true and correct."

3. Exhibits shall be identified by the docket number and an exhibit number and may be introduced as part of a person's presentation.

4. Applicants shall submit a copy of each application and exhibits. Each person offering exhibits into evidence shall also have available a reasonably sufficient number of exhibits for other persons who are subject to the provisions of §§ [45.1-361.19](#) and [45.1-361.23](#) of the Code of Virginia, who have notified the division of their request for copies of exhibits, and are expected to be in attendance at the hearing.

F. Applications for the establishment and modification of a unit, spacing or pooling shall be accompanied by a \$130 nonrefundable fee, payable to the Treasurer of Virginia.

G. All parties in any proceeding before the board are entitled to appear in person or be represented by counsel, as provided for in the Administrative Process Act, § [2.2-4000](#) et seq. of the Code of Virginia.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 3, eff. October 23, 1991; amended, [Volume 13, Issue 22](#), eff. August 20, 1997; [Volume 19, Issue 18](#), eff. July 1, 2003; [Volume 29, Issue 03](#), eff. November 8, 2012; [Volume 33, Issue 21](#), eff. July 27, 2017.

4VAC25-160-40. Notice of Hearings.

A. Each applicant for a hearing to establish an exception to statewide spacing under § [45.1-361.17](#) of the Code of Virginia shall provide notice by electronic mail, by certified mail, return receipt requested, or by another commercial carrier including Federal Express and United Parcel Service, return receipt requested, to all gas, oil, coal or mineral owners having an interest underlying any tract located within the distances provided in § [45.1-361.17](#) of the Code of Virginia or the distance to the nearest well completed in the same pool, whichever is less. Each applicant for a hearing to establish an exception to a well location provided for in a drilling unit established by an order of the board shall provide notice by certified mail, return receipt requested, to all gas, oil, coal or mineral owners having an interest underlying the unit where the exception is requested.

B. Each applicant shall include, in or with the mailed notice of the hearing required under § [45.1-361.19](#) of the Code of Virginia, the following information:

1. The name and address of the applicant and the applicant's counsel, if any;
2. In the case of an application to vacate or amend an order, identification of the order to be vacated or amended;

3. A statement of the relief sought and proposed provisions of the order or proposed order;
4. Citations of statutes, rules, orders and decided cases supporting the relief sought;
5. A statement of the type of well or wells (gas, oil or coalbed methane gas);
6. a. For a pooling order, the notice should include: a plat showing the size and shape of the proposed unit and boundaries of tracts within the unit. The location of the proposed unit shall be shown in accordance with the Virginia Coordinate System of 1983, as defined in Chapter 17 (§ [55-287](#) et seq.) of Title 55 of the Code of Virginia, also known as the State Plane Coordinate System. The plat shall include property lines taken from (i) deed descriptions and chain of title, (ii) county courthouse records, or (iii) a physical survey for each land track in the unit. The location of the well and the percentage of acreage in each tract in the unit shall be certified by a licensed land surveyor or a licensed professional engineer and attested by the applicant as to its conformity to existing orders issued by the board;
 - b. For a field rule, the notice should include: a description of the pool or pools in the field, the boundaries of the field, information on the acreage and boundaries of the units proposed to be in the field and any proposed allowable production rates; or
 - c. For a location exception, the notice should include: a description of the proposed well location in relation to other wells within statewide spacing limits or in relation to the allowable area for drilling within a unit;
7. A description of the interest or claim of the respondent being notified;
8. A description of the formation or formations to be produced;
9. An estimate of the amount of reserves of the unit;
10. An estimate of the allowable costs in accordance with [4VAC25-160-100](#); and
11. How interested persons may obtain additional information or a complete copy of the application.

C. When after a diligent search the identity or location of any person to whom notice is required to be given in accordance with subsection A or B of this section is unknown at the time the applicant applies for a hearing before the board, the applicant for the hearing shall cause a notice to be published in a newspaper of general circulation in the county, counties, city, or cities where the land or the major portion thereof which is the subject of the application is located. The notice shall include:

1. The name and address of the applicant;
2. A description of the action to be considered by the board;
3. A map showing the general location of the area that would be affected by the proposed action or a description that clearly describes the location or boundaries of the area that would be affected by the proposed action sufficient to enable local residents to identify the area;

4. The date, time and location of the hearing at which the application is scheduled to be heard; and

5. How interested persons may obtain additional information or a complete copy of the application.

D. Notice of a hearing made in accordance with § [45.1-361.19](#) of the Code of Virginia or this section shall be sufficient, and no additional notice is required to be made by the applicant upon a postponement or continuance of the hearing.

E. Each applicant for a hearing to modify an order established under § [45.1-361.21](#) or [45.1-361.22](#) of the Code of Virginia shall provide notice in accordance with § [45.1-361.19](#) of the Code of Virginia to each person having an interest underlying the tract or tracts to be affected by the proposed modification.

F. An applicant filing a petition to modify a forced pooling order established under § [45.1-361.21](#) or [45.1-361.22](#) of the Code of Virginia to change the unit operator based on a change in the corporate name of the unit operator; a change in the corporate structure of the unit operator; or a transfer of the unit operator's interests to any single subsidiary, parent or successor by merger or consolidation is not required to provide notice. Other applicants for a hearing to modify a forced pooling order shall provide notice in accordance with § [45.1-361.19](#) of the Code of Virginia to each respondent named in the order to be modified whose interest may be affected by the proposed modification.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 4, eff. October 23, 1991; amended, [Volume 13, Issue 22](#) , eff. August 20, 1997; [Volume 29, Issue 03](#) , eff. November 8, 2012; [Volume 33, Issue 21](#) , eff. July 27, 2017.

4VAC25-160-50. Applications for Field Rules.

Each application filed under § [45.1-361.20](#) of the Code of Virginia to establish or modify a field rule, a drilling unit or drilling units shall contain:

1. The name and address of the applicant and the applicant's counsel, if any;
2. In the case of an application to vacate or amend an order, identification of the order to be vacated or amended;
3. A statement of the relief sought and the proposed provisions of the order or a proposed order;
4. Citations of statutes, rules, orders, and decided cases supporting the relief sought;
5. In the case where a field rule is proposed to be established or modified:
 - a. A statement of the type of field (gas, oil or coalbed methane gas);

- b. A description of the proposed formation or formations subject to the petition; and
 - c. A description of the pool or pools included in the field, based on geological and technical data, including the boundaries of the pool or pools and field, shown in accordance with the Virginia Coordinate System of 1983, as defined in Chapter 17 (§ [55-287](#) et seq.) of Title 55 of the Code of Virginia, also known as the State Plane Coordinate System;
6. In the case where a drilling unit or units are proposed to be established or modified:
 - a. A statement of the acreage to be embraced within each drilling unit;
 - b. A description of the formation or formations to be produced by the well or wells in the unit or units; and
 - c. The boundaries of the drilling unit or units shown in accordance with subdivision 5 c of this section;
 7. A statement of the amount of acreage to be included in the order;
 8. A statement of the proposed allowable production rate or rates and supporting documentation, if applicable;
 9. Evidence that any proposal to establish or modify a unit or units for coalbed methane gas will meet the requirements of § [45.1-361.20](#) C of the Code of Virginia;
 10. An affidavit demonstrating that due diligence was used to locate and serve persons in accordance with § [45.1-361.19](#) of the Code of Virginia and [4VAC25-160-40](#); and
 11. When required, proof of notice by publication in accordance with [4VAC25-160-40](#) C.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 5, eff. October 23, 1991; amended, [Volume 13, Issue 22](#) , eff. August 20, 1997; [Volume 29, Issue 03](#) , eff. November 8, 2012.

4VAC25-160-60. Applications for Exceptions to Minimum Well Spacing Requirements.

Applications for an exception to statewide spacing under § [45.1-361.17](#) of the Code of Virginia or under a field rule issued by the board shall contain the following:

1. The name and address of the applicant and the applicant's counsel, if any;
2. In the case of an application for an exception to spacing established in a field rule, identification of the order governing spacing in the field;
3. A statement of the proposed location of the well in relation to wells permitted or for which a permit application is pending before the Division of Gas and Oil at the time of

filing within the distances prescribed in § [45.1-361.17](#) of the Code of Virginia;

4. A description of the formation or formations to be produced by the well proposed for alternative spacing and the wells identified in subdivision 3 of this section;

5. A description of the conditions justifying the alternative spacing;

6. An affidavit demonstrating that due diligence was used to locate and serve persons in accordance with [4VAC25-160-40](#); and

7. When required, proof of notice by publication in accordance with [4VAC25-160-40](#) C.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 6, eff. October 23, 1991; amended, [Volume 13, Issue 22](#) , eff. August 20, 1997; [Volume 29, Issue 03](#) , eff. November 8, 2012.

4VAC25-160-70. Applications to Pool Interests in a Drilling Unit: Conventional Gas or Oil or No Conflicting Claims to Coalbed Methane Gas Ownership.

A. Applications filed under § [45.1-361.21](#) of the Code of Virginia to pool interests in a drilling unit for conventional gas or oil or for coalbed methane gas where there are no conflicting claims to ownership of the coalbed methane gas, except as provided for in subsection B of this section, shall contain the following:

1. The name and address of the applicant and the applicant's counsel, if any;
2. In the case of an application to vacate or amend an order, identification of the order to be vacated or amended;
3. A statement of the relief sought and proposed provisions of the order or a proposed order;
4. Citations of statutes, rules, orders, and decided cases supporting the relief sought;
5. A statement of the type of well or wells (gas, oil or coalbed methane gas);
6. The permit number or numbers, if any have been issued;
7. A plat showing the size and shape of the proposed unit and boundaries of tracts within the unit, shown in accordance with the Virginia Coordinate System of 1983, as defined in Chapter 17 (§ [55-287](#) et seq.) of Title 55 of the Code of Virginia, also known as the State Plane Coordinate System. Also included shall be the names of owners of record of the tracts, and the percentage of acreage in each tract, certified by a licensed land surveyor or a licensed professional engineer and attested by the applicant as to its conformity to existing orders issued by the board;

8. A description of the status of interests to be pooled in the unit at the time the application is filed;
9. For an application to pool a coalbed methane gas unit, a statement of the percentage of the total interest held by the applicant in the proposed unit at the time the application for the hearing is filed;
10. A statement of the names of owners and the percentage of interests to be escrowed under § [45.1-361.21](#) D of the Code of Virginia for each owner whose location is unknown at the time the application for the hearing is filed;
11. A description of the formation or formations to be produced;
12. An estimate of production over the life of well or wells, and, if different, an estimate of the recoverable reserves of the unit;
13. An estimate of the allowable costs in accordance with [4VAC25-160-100](#);
14. An affidavit demonstrating that due diligence was used to locate and serve persons in accordance with § [45.1-361.19](#) of the Code of Virginia and [4VAC25-160-40](#) C; and
15. When required, proof of notice by publication in accordance with [4VAC25-160-40](#) C.

B. Applications to amend an order pooling interests in a drilling unit may be filed by written stipulation of all persons affected. The application is not required to contain the information specified in subsection A of this section, but shall contain the proposed amended language to the order, shown by interlineation.

C. Within 45 days after the time for election provided in any pooling order has expired, the unit operator shall file an affidavit with the board stating whether or not any elections were made. If any elections were made, the affidavit shall name each respondent making an election and describe the election made. The affidavit shall state if no elections were made or if any response was untimely. The affidavit shall be accompanied by a proposed supplemental order to be made and recorded to complete the record regarding elections. The affidavit and proposed supplemental order shall be filed by the unit operator within 45 days of the last day on which a timely election could have been delivered or mailed, or within 45 days of the last date for payment set forth in the pooling order, whichever occurs last. The applicant shall mail a true and correct copy of any supplemental order to all persons identified in the supplemental order.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 7, eff. October 23, 1991; amended, [Volume 13, Issue 22](#) , eff. August 20, 1997; [Volume 29, Issue 03](#) , eff. November 8, 2012.

4VAC25-160-80. Applications to Pool Interests in a Drilling Unit: Conflicting

Claims to Coalbed Methane Gas Ownership.

In addition to the information required in [4VAC25-160-70](#) of this chapter, applications filed under § [45.1-361.22](#) of the Code of Virginia to pool interests in a drilling unit for coalbed methane gas where there are conflicting claims to ownership of the coalbed methane gas shall contain a description of the conflicting ownership claims and the percentage of interests to be escrowed for the conflicting claims, and a plan for escrowing the costs of drilling and operating the well or wells and the proceeds from the well or wells attributable to the conflicting interests.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 8, eff. October 23, 1991.

4VAC25-160-90. Standards for Escrow Accounts.

Payment of funds into escrow accounts shall be made in accordance with the standards established in each order of the board requiring such payment. In addition, the unit operator of a drilling unit subject to a voluntary pooling agreement may petition the board under [4VAC25-160-140](#) of this chapter for an order authorizing the escrow of funds subject to conflicting claims in accordance with board standards or regulations regarding escrow of such funds in units subject to a compulsory pooling order.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 9, eff. October 23, 1991.

4VAC25-160-100. Allowable Cost Which May Be Shared in Pooled Gas or Oil Operations.

A. The unit operator of a pooled unit may share all reasonable costs of operating the unit, including a reasonable supervision fee, with other participating and nonparticipating operators, as provided for in § [45.1-361.21](#) of the Code of Virginia, which may include:

1. Direct costs:
 - a. Ecological and environmental;
 - b. Rentals and royalties;
 - c. Labor;
 - d. Employee benefits;
 - e. Material;

- f. Transportation;
- g. Services;
- h. Equipment and facilities furnished by the unit operator;
- i. Damages and losses to joint property;
- j. Legal expenses;
- k. Taxes;
- l. Insurance;
- m. Abandonment and reclamation;
- n. Communications; and
- o. Other expenditures.

2. Indirect charges:

- a. Drilling and production operations;
- b. Major construction; and
- c. Catastrophe.

B. Where there are conflicting royalty claims to coalbed methane gas, the unit operator of a forced pooled coalbed methane gas unit shall deposit proceeds in accordance with § [45.1-361.22](#) of the Code of Virginia, to be determined at the wellhead.

C. Where there are conflicting claims and one or more persons have elected to become participating or nonparticipating operators, the unit operator of a forced pooled coalbed methane gas unit shall escrow net proceeds after deduction for royalty and other costs consistent with the terms of this chapter and the board's order regarding the unit.

D. In any dispute which may arise regarding a unit operator's costs, the unit operator shall be entitled to the benefit of a presumption of reasonableness where it is shown that the types of costs being disputed are, by custom and practice, customary and usual within the industry. The unit operator shall not be entitled to a presumption of reasonableness of the amount of the costs being disputed.

E. Unless one or more respondents elect to participate or elect to be a nonparticipating operator on a carried basis, the unit operator shall have no obligation to report costs after the expiration of the election period.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 10, eff. October 23, 1991; amended, [Volume 13, Issue 22](#) , eff. August 20, 1997.

4VAC25-160-110. Recordkeeping.

A. Each unit operator shall maintain records of production, income, payments made to lessors and escrow agents, any suspended payments, and other information prescribed by the board until the later of:

1. When the permits for all wells in the unit have been released by the department;
2. Twenty-four months after all escrowed funds for competing claims to ownership of coalbed methane gas in the unit have been paid out under order of the board; or
3. When so ordered by the board.

B. Each unit operator shall maintain itemized records of all costs charged to participating or nonparticipating operators until the later of:

1. Twenty-four months after all costs attributable to participating or nonparticipating operators have been settled and paid; or
2. When so ordered by the board.

C. Upon transfer of the right to conduct operations in a pooled drilling unit to a new unit operator, the old unit operator shall transfer all records required to be maintained in accordance with this section to the new unit operator. The old unit operator will not be released from responsibility as the unit operator until he has submitted, to the board, an affidavit that the records have been received by the new unit operator.

D. In the event a unit operator wishes to terminate its legal existence and the unit is not transferred to a new unit operator, or when the permit for any well in the unit has been revoked and the bond forfeited by the department, the unit operator shall transfer, to the board, all records required to be maintained in accordance with this section.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 11, eff. October 23, 1991; amended, [Volume 13, Issue 22](#), eff. August 20, 1997; [Volume 33, Issue 21](#), eff. July 27, 2017.

4VAC25-160-120. Applications to Change the Unit Operator for a Unit Established by Order of the Board.

A. Transfer of the right to operate a unit established by the board must be approved by the board prior to the transfer of unit operations to a new operator.

1. For a voluntary transfer, the proposed new unit operator shall file written notification of the proposed transfer of operations.
2. An involuntary transfer may be requested by an applicant or considered by the board on its own motion if the unit operator has not continued gas or oil operations of the unit with

due diligence, or the permit for any well in the unit has been revoked by the department.

B. The request for a transfer shall include:

1. The name and address of the existing unit operator;
2. The name and address of the proposed new unit operator;
3. Written approval from the existing unit operator, or a detailed statement of the facts supporting the removal of the existing operator; and
4. Identification of the order to be amended.

C. The notice of the board hearing shall be provided under § [45.1-361.19](#) B of the Code of Virginia.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 12, eff. October 23, 1991; amended, [Volume 13, Issue 22](#) , eff. August 20, 1997.

4VAC25-160-130. Appeals of the Director's Decisions.

A. Appeals of the division director's decisions shall be filed in writing, at the office of the division, in accordance with §§ [45.1-361.23](#) and [45.1-361.36](#) of the Code of Virginia.

B. A petition to appeal a decision of the division director shall contain:

1. The name and address of the petitioner and the petitioner's counsel, if any;
2. Identification of the decision being appealed, and the date the decision was issued;
3. A statement identifying the standing of the petitioner to appeal;
4. A statement setting forth the reasons for the appeal, including errors alleged in the director's decision and the reasons why the decision is deemed contrary to law or regulation;
5. A statement that the issues on appeal were in fact raised as required by § [45.1-361.36](#) B of the Code of Virginia;
6. A statement setting forth the specific relief requested; and
7. When a stay to any proposed activity allowed as a result of the director's decision is desired, a request for the stay and the basis for granting the stay.

C. Upon receipt of an appeal containing a request for a stay, the division director shall decide on the request in accordance with § [45.1-361.23](#) D of the Code of Virginia.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 13, eff. October 23, 1991; amended, [Volume 13, Issue 22](#), eff. August 20, 1997; [Volume 29, Issue 03](#), eff. November 8, 2012.

4VAC25-160-140. Miscellaneous Petitions to the Board.

A. Any petition to the board not otherwise provided for in this chapter shall be made in writing, and shall contain:

1. The name and address of the petitioner and the petitioner's counsel, if any;
2. The names and addresses of any persons who are named as respondents in the petition;
3. An affidavit that notice has been given to each respondent, if any, named in the petition;
4. A statement of the issues of the petition; and
5. A statement setting forth the specific relief requested.

B. If a petitioner for a unit under § [45.1-361.21](#) or § [45.1-361.22](#) fails to provide notification to an owner of interest of any part of a unit subject to a petition before the board, then such party may file a written objection to the proceedings in the form of a petition as set out in subsection A of this section. Such petition does not require the submission of an application fee as required in [4VAC25-160-30](#) F.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 14, eff. October 23, 1991; amended, [Volume 13, Issue 22](#), eff. August 20, 1997.

4VAC25-160-150. Effective Dates for and Enforcement of Board Orders.

A. All orders issued by the board under § [45.1-361.20](#) of the Code of Virginia shall remain in effect until vacated or amended by the board on its own motion or on application from an owner or operator in the field or unit subject to the order.

B. Unless otherwise provided in the board order, all orders issued by the board under §§ [45.1-361.21](#) and [45.1-361.22](#) of the Code of Virginia shall remain in effect:

1. For a period of two years from the date of issuance of the board order;
2. If a permit has been issued for a well in a unit subject to the order, until the permit or permits have expired or been released on the well or wells; or
3. Until vacated or amended by the board on its own motion or on application.

C. In the event that an appeal is taken from any order of the board, the time between the filing of the petition for appeal and the final order of the circuit court shall be excluded in calculating the time period as contained in subsection B of this section.

D. All orders of the board shall be enforced by the director pursuant to the process set out in this chapter and § [45.1-361.24](#) of the Code of Virginia.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 15, eff. October 23, 1991; amended, [Volume 13, Issue 22](#) , eff. August 20, 1997.

4VAC25-160-160 to 4VAC25-160-180. [Repealed]

Historical Notes

Derived from VR480-05-22.2 §§ 16 to 18, eff. October 23, 1991; repealed, [Volume 13, Issue 22](#) , eff. August 20, 1997.

4VAC25-160-190. Civil Charges.

A. Civil charges shall be provided for in accordance with § [45.1-361.8](#) C of the Code of Virginia.

B. The division director, after finding any violation of the Act, a regulation promulgated under the Act, or order of the director or board, or upon direction from the board, may recommend a civil charge against a gas, oil or geophysical operator and shall base the recommendation on the Civil Charge Calculation Procedure established by order of the board.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 19, eff. October 23, 1991; amended, [Volume 29, Issue 03](#) , eff. November 8, 2012.

4VAC25-160-200. Surveys and Tests.

A. Deviation tests.

1. An inclination survey shall be made on all rotary drilled wells located in accordance with a field rule established by the board. An inclination survey is not required for wells drilled in accordance with the distance limitations of § [45.1-361.17](#) of the Code of Virginia.
2. The first shot point shall be at a depth not greater than the bottom of the surface casing or, for a well drilled through a coal seam, at a depth not greater than that of the bottom of the coal protection string. Succeeding shot points shall be no more than 1,000 feet apart, or as otherwise ordered by the director.
3. Inclination surveys conforming to these requirements may be made either during the normal course of drilling or after the well has reached total depth. Survey data shall be certified in writing as being true and correct by the designated agent or person in charge of

a permittee's Virginia operations, or the drilling contractor, and shall indicate the resultant lateral deviation as the maximum calculated lateral displacement determined at any inclination survey point in a horizon approved for production, by an order of the board or a permit approved by the director, assuming that all displacement occurs in the direction of the nearest boundary of the unit. The resultant lateral deviation shall be recorded on the drilling or completion report filed by the permittee.

4. If a directional survey determining the location of the bottom of the hole is filed upon completion of the well, it shall not be necessary to file the inclination survey data.

5. A directional survey shall be made when:

- a. A well is directionally controlled and is thereby intentionally deflected from vertical;
- b. The resultant lateral deviation of any well, calculated from inclination survey data, is greater than the distance from the center of the surface location of the well bore to the nearest boundary of the area where drilling is allowed in a unit established by the board; or
- c. A well is drilled as an exception location and a directional survey is ordered by the board.

6. The board or the director, on their own initiative or at the request of a gas or oil owner on a contiguous unit or tract, may require the permittee drilling any well to make a directional survey of the well if there is reasonable cause therefor. Whenever a survey is required by the board or the director at the request of a contiguous owner and the permittee of the well and contiguous owner are unable to agree as to the terms and conditions for making the directional survey, the permittee shall pay for the survey if the bottom hole location is found to be outside of the area approved for drilling, and the contiguous owner shall pay for the survey if the bottom hole location is found to be inside of the area approved for drilling.

7. Directional surveys shall be run from total depth to the base of the surface casing or coal protection string, unless otherwise approved by the board or the director. In the event that the proposed or final location of the producing interval or intervals of any well is not in accordance with this section or a board order, the unit operator shall apply to the board for an exception to spacing. However, directional surveys to total depth shall not be required in cases where the interval below the latest survey is less than 500 feet, and in such an instance, a projection of the latest survey shall be deemed to satisfy board requirements.

8. The results of each inclination or directional survey made in accordance with this section shall be filed by the permittee with the first drilling or completion report required by the division.

B. Flow potential and gas/oil ratio tests: conventional gas or oil wells.

1. If a gas or oil well appears capable of producing gas or oil, the permittee shall conduct a potential flow test and a gas/oil ratio test within 14 days after the well is completed and capable of producing gas or oil. The permittee shall file the test results, electronically or in

writing, with the division. The division director shall hold the test results confidential in accordance with § [45.1-361.6](#) of the Code of Virginia.

2. If a permittee deepens or stimulates a well after the initial potential flow test and gas/oil ratio test have been conducted, when determined to be necessary by the permittee or when requested by the board, the permittee shall conduct another potential flow test and gas/oil ratio test and, within 30 days after completing the test, file the results, in writing, with the division.

3. A back-flow method of determining open flow shall be used, such as recommended by the Interstate Oil and Gas Compact Commission, "Manual of Back-Pressure Testing of Gas Wells," 2000. However, when a back-flow method is believed not to be feasible, the permittee shall obtain prior approval from the division, and test the well in accordance with, an alternate method approved by the director that does not entail excessive physical waste of gas.

C. Testing of coalbed methane gas wells. If a permittee cannot test the potential flow of a coalbed methane gas well by a back-flow method or complete the test within the time period required in subdivision B 1 of this section, the permittee may request approval from the director to perform a coalbed methane gas production test. Such a test shall only be made when the water production and the gas flow rates are stabilized for a period of not less than 14 days prior to the test. The test shall be conducted for a minimum of 24 hours in the manner approved by the director. The permittee shall file the test results, electronically or in writing, with the division. The division director shall hold the test results confidential in accordance with § [45.1-361.6](#) of the Code of Virginia.

D. The board may, by order and after notice and hearing, require a permittee to complete other tests on any well.

Statutory Authority

§ [45.1-361.15](#) of the Code of Virginia.

Historical Notes

Derived from VR480-05-22.2 § 20, eff. October 23, 1991; amended, [Volume 13, Issue 22](#) , eff. August 20, 1997; [Volume 29, Issue 03](#) , eff. November 8, 2012.

4VAC25-160-210 to 4VAC25-160-230. [Repealed]

Historical Notes

Derived from VR480-05-22.2 §§ 21 to 23, eff. October 23, 1991; repealed, [Volume 13, Issue 22](#) , eff. August 20, 1997.