REPORTING, MONITORING, INSPECTION & COMPLIANCE

(This discussion is provided as a companion to the Reporting, Monitoring, Inspection & Compliance PowerPoint slide presentation.)

REPORTING

FORM UIC-10: ANNUAL DISPOSAL/ INJECTION WELL MONITORING REPORT

REQUIREMENTS FOR SUBMISSION OF FORM UIC-10 (SLIDE NO. 3)

- Required Annual Submission of the Form UIC-10 for all Unplugged Injection Wells
  - Forms are sent to operators in February of the year following the reporting year (i.e.: Sent out in February 2012 for the 2011 reporting year)
  - Forms must be filled in and submitted to IMD by May 31st
- Submission of Form UIC-10 for Plugged and Abandoned or Transferred Wells
  - Forms are sent to an operator when IMD is notified of a P&A or Transfer
  - Operators may download the Form UIC-10A when the P&A or Transfer occurs
  - Complete the form for the portion of the year that the well was operated
  - www.dnr.louisiana.gov >> Conservation >> Forms/Reports/Documents >> Injection & Mining Division >> Form UIC-10A

INSTRUCTIONS (SLIDE NOS. 4-7)

FORM UIC-10

- Complete Organization and Well Information
- Provide the Injection Pressure, Annulus Pressure, Injection Rate, and Volume Injected each month
  - Indicate whether it is a Community or Individual Well

COMMUNITY SWD/SYSTEM NOTIFICATION/CERTIFICATION ATTACHMENT

- Replaces the need to file a FORM UIC-13 annually, after the initial FORM UIC-13 is on record.
Must be completed for each Class II Disposal/Injection well and submitted with the Form UIC-10 or Form UIC-10A. All sources of fluid injected into these wells must be reported using this attachment sheet. Failure to submit a Form UIC-10 will result in IMD issuing an Compliance Order with a civil penalty of $200 to the operator.

Commercial SWD facilities are not required to complete the Source Fluid Attachment sheet of manifested fluids, however, this sheet must be completed for any non-manifested fluids such as fluids received by pipeline.

**SOURCE FLUID ATTACHMENT - SOURCE TYPES**

- **Source Type A**
  - Produced fluids from oil and gas production wells operated by your organization located within the field in which the subject injection well is located
  - Group all Source Type A Fluids by LUW Code.
  - For individual wells that are not a part of a lease or unit, their Serial Number is their LUW Code.
  - Complete each column where “A” is marked in the header

- **Source Type B**
  - Produced fluids from oil and gas production wells operated by your organization located in fields other than the field in which the subject injection well is located
  - Group all Source Type B Fluids by Serial Number
  - Complete each column where “B” is marked in the header

- **Source Type C**
  - Produced fluids from oil and gas production wells operated by organizations other than yours.
  - Group all Source Type C Fluids by Serial Number
  - Complete each column where “C” is marked in the header

- **Source Type D**
  - Fluids from wells and other sources that cannot be identified by an Office of Conservation LUW code. These fluids include but are not limited to gas plant waste waters not classified as hazardous, brine produced from hydrocarbon storage and brine wells in salt domes, out of state oil and gas production wells, offshore-federal oil and gas production wells, etc.
  - Group all Source Type D Fluids by Organization
  - Complete each column where “D” is marked in the header
FORM UIC-WH1: WORK HISTORY/RESUME REPORT FOR INJECTION WELLS

(SLIDE NO. 13)

- Any time an application/work permit number is issued to performed work on an injection well- including permits issued by a Conservation Enforcement Specialist (CES)- the operator must submit a Form UIC-WH1 to IMD within 20 days of the completion of work activities on the well, along with any other reporting requirements.
- The only exception is for work permits issued to plug and abandon a well; this activity should be reported on the Form UIC-P&A (more information available in the next section).
- Failure to submit a Form UIC-WH1 will result in IMD issuing a Notice of Violation to the operator.

FORM UIC-P&A: INJECTION WELL PLUGGING AND ABANDONMENT REPORT

(SLIDE NO. 14)

- Any time an application/work permit number is issued to plug and abandon an injection well, the operator must submit a Form UIC-P&A to IMD within 20 days of the completion of work activities on the well, along with any other reporting requirements.
- IMD has combined the information required in the Form UIC-WH1 and the Plug & Abandon Report into one form, making the Form UIC-P&A the only form required upon completion of plugging and abandonment activities of injection wells.
- Failure to submit a Form UIC-P&A will result in IMD issuing a Notice of Violation to the operator.

MONITORING

(SLIDE NO. 15)

MECHANICAL INTEGRITY

Definition

(SLIDE NO. 16)

A well has mechanical integrity if:
- There is no significant leak in the casing, tubing, or packer (internal integrity); and
- There is no significant fluid movement into an underground source of drinking water (USDW) through vertical channels adjacent to the injection wellbore (external integrity).
The Mechanical Integrity failure occurs when:

- A gauge pressure loss of 5% or greater occurs during an MIPT (or a pressure loss greater than 5 psi in Class I wells);
- The annulus of the well cannot be completely filled with water;
- The annulus of the well cannot maintain pressure;
- While injecting, water flows from the casing valve when it is open, thus indicating a communication problem in the well;
- There is a vacuum on the annulus when the casing valve is opened;
- An inspector arrives at the well for a scheduled test, but the operator is absent or unprepared for the test.

If a mechanical failure or down-hole problem indicates that the injection well is not, or may not be directing the injected fluid into the permitted or authorized zone, then the operator must comply with the following:

- The well must be shut-in; and
- The operator must call the appropriate CES or IMD within 24 hours and verbally notify them of the failure.

When the operator notifies the CES or IMD of the failure, a Work Permit Application Number and Notice of Violation will be issued to the operator, which will allow the operator to pull the tubing and packer and repair the well. The operator will have 30 days to repair the well under the work permit issued by the CES.

If additional work is necessary to repair the well, the operator must submit a Form UIC-17 Work Permit Application to IMD within 30 days of the well failure. The Form UIC-17 should detail the additional work necessary to repair the well, and if approved, the operator will have 90 to repair the well.

If the operator is unable to repair the well within required timeframe, then the operator must comply with the following:

- Submit a letter or email requesting an extension to repair the well;
- Provide a financial instrument in the amount determined by IMD; and,
If the well is not repaired within one (1) year, then the well must be plugged and abandoned.

**TEST AND INSPECTIONS**

(SLIDE NO. 20)

**INSPECTORS AND PARISH ASSIGNMENTS**

(SLIDE NOS. 21-22)

The Injection and Mining Division (IMD) employs seven (7) Conservation Enforcement Specialists (CES) to administer the inspection and enforcement field activities for injection wells. All inspection and testing requests should be made directly to the IMD CES who is responsible for the parish where the injection well is located. If the CES is unavailable, then IMD should be contacted directly at 225-342-5515. The District Offices should not be contacted.

The IMD CES are responsible for witnessing Mechanical Integrity Pressure Test (MIPT), witnessing any other mechanical integrity tests approved by IMD, performing site and well inspections, responding to injection well emergencies, and investigating complaints.

- **Pete Bradford (Area 1), 318-518-2677:** Bossier, Caddo, Webster
- **Rex Darden (Area 2), 318-623-4925:** Bienville, Caldwell, East Carroll, West Carroll, Claiborne, Franklin, Lincoln, Madison, Morehouse, Ouachita, Richland, Union
- **Bill Jones (Area 3), 318-316-2581:** Avoyelles, Catahoula, Concordia, LaSalle, Tensas
- **Jackie Hebert (Area 4), 318-623-4924:** Allen, Beauregard, DeSoto, Evangeline, Grant, Natchitoches, Rapides, Red River, Sabine, Vernon, Winn
- **Vacant (Area 5):** Acadia, Ascension, East Baton Rouge, West Baton Rouge, East Feliciana, West Feliciana, Iberia, Lafayette, Livingston, St. Helena, St. Landry, St. Martin, St. Tammany, Tangipahoa, Washington
- **Kevin Sonnier (Area 6), 337-247-4444:** Calcasieu, Cameron, Jefferson Davis, Vermilion
- **Billy Carnes (Area 7), 225-405-7470:** Assumption, Lafourche, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Mary, Terrebonne
The following MIPTs must be witnessed by a CES, unless otherwise noted by IMD:

- **Initial MIPT**
  MIPT performed on a new drill or converted injection well. The test should be performed after the well is perforated and the tubing and packer is set in the well. A successful MIPT must be witnessed by a Conservation Enforcement Specialist (CES/Inspector) before the well can be issued a Permit-to-Inject.

- **Compliance MIPT**
  MIPT performed when an operator has completed remedial work on a well. An MIPT must be performed before the well is returned to service.

- **Periodic MIPT**
  A scheduled MIPT that is witnessed by a CES at least once every five (5) years.
  - If a well requires additional mechanical integrity monitoring, then a more frequent test schedule may be assigned to the well. Notice of the revised schedule will be stated in the Permit-to-Inject.
  - IMD will notify the operator when it is time to schedule a test; however, it is the responsibility of the operator to ensure that a witnessed test is performed according to the well’s prescribed schedule.

Depending on the schedule and availability of the CES, IMD may give permission for a Class II injection well operator to perform an unwitnessed MIPT and static fluid level measurement on their well.

**FORM UIC-5: CLASS II WELL INTEGRITY TEST AFFIDAVIT**

The results of the test/measurement must be reported on the Form UIC-5, Class II Well Integrity Test Affidavit, and must comply with the following:

- The ORIGINAL Form UIC-5 must be submitted to the Injection and Mining Division within seven (7) days of test performance.
- All MIPTs reported on Form UIC-5 must be performed by the operator and witnessed by a third party who is not an employee of the operator.
If the test fails, the operator is required to contact the CES or IMD within 24 hours so that a Work Permit can be issued to repair the well.

**CRITERIA FOR PERFORMING A MIPT**

- A minimum of 300 psi fluid pressure must be applied to the casing annulus if the existing pressure on the casing annulus is not sufficient.

- A differential of approximately 100 psi shall be maintained between the casing annulus test pressure and any existing formation pressure or injection pressure in the tubing during the test.

- The test pressure shall be monitored for a period of no less than 30 minutes.

- A test pressure loss of 5% (or 5 psi for Class I wells) is the maximum allowable loss during the test period.

**INSPECTIONS**

The following inspections are performed by a CES:

- **Periodic Inspection**
  An inspection performed in conjunction with all MIPTs and initial facility inspections. The principal items that are addressed include well site identification, special operational provisions, well head conditions, and well site conditions.

- **Compliance Inspection**
  An inspection performed when the operator has completed remedial work as prescribed by a Compliance Notice, Notice of Violation, or Compliance Order.

- **Plugging and Abandonment Activities**
  Field activity performed to visually observe activities involved in the plugging and abandonment activities approved by a work permit.

- **Emergency Responses**
  Response to a noncompliance action that causes an immediate threat to damage private property, the environment or is a threat to public safety.

- **Complaint Investigation**
  Field activity to investigate a complaint concerning the operation of a specific injection well. The compliant may have been initiated by a concerned citizen or by representatives of other State or Federal regulatory agencies.
ORPHAN WELLS TAKEN OVER BY ACTIVE OPERATOR

If permit has NOT been expired, then IMD will conduct a file review and require the new operator to address any deficiencies in the following areas:

- MIPT compliance status
- Construction compliance
- Cement record review
- Reporting compliance

If permit has been EXPIRED, the new operator will be required to meet the following:

- Submit a UIC-2 SWD Application within 1 YEAR of the status being changed to 08, Inactive
- If a UIC-2 SWD Application is not submitted within 1 YEAR, then the operator will have 60 days to plug and abandon the well

TYPES OF COMPLIANCE ACTIONS

COMPLIANCE NOTICES

- Letters sent to inform Operator of actions to be taken to remain compliant
- Examples: UIC-10, MIPT Test Reminders

NOTICE OF VIOLATION

- Letters sent to inform Operators they are out of compliance and the required corrective actions
- Examples: Failure to submit Form UIC-WH1, Failure to pass MIPT

COMPLIANCE ORDERS

- Order sent for failure to properly respond to a Notice of Violation
- Requires the operator to P&A and may assess a Civil Penalty
Example Form UIC-10

Annual Disposal/Injection Well Monitoring Report
UIC-10 FOR CALENDAR YEAR 2011

Effective Date: 01/01/2011 – 12/31/2011
Organization ID: J000
Name: JOE BALL, LLC
Address: 1234 CONSERVATION BLVD.
BATON ROUGE, LA 70810
ATTN: JOE BALL

Well Serial: 979999
Well Name / Num: JOE BALL SWD / 001
Well Status: 09
Well Class/Type: II/5
Field: LAFAYETTE
Field Id: 0100
Section: 030
Township: 01S
Range: 02W

1. MONTHLY INJECTION RECORD:

<table>
<thead>
<tr>
<th>INJECTION PRESSURE (PSI)</th>
<th>ANNULUS PRESSURE (PSI)</th>
<th>INJECTION RATE (GALLONS PER MINUTE)</th>
<th>VOLUME INJECTED</th>
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<tr>
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<td>AVERAGE MAXIMUM</td>
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<td>MCF</td>
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<td>19 21</td>
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2. WELL TYPE:
- [ ] EOR
- [ ] SWD
- [ ] ANNULAR SWD
- [ ] OTHER (SPECIFY):

3. WELL COMPLETION:

A. INJECTION THROUGH:
- [ ] CASING
- [ ] TUBING W/O PACKER
- [ ] TUBING W/ PACKER
- GIVE PACKER DEPTH: 3,750 FT.

B. INTERVAL:
- [ ] PERFORATIONS
- [ ] OPEN HOLE
- [ ] SCREEN
- GIVE INTERVAL DEPTH: 5,184 FT TO 5,994 FT

4. TYPE OF FLUIDS INJECTED DURING REPORTING CYCLE:
- [ ] SALT WATER
- [ ] FRESH WATER
- [ ] BRACKISH WATER
- [ ] AIR
- [ ] NATURAL GAS
- [ ] CO2
- [ ] POLYMER
- [ ] NORM
- [ ] OTHER (SPECIFY):

5. COMMUNITY SWD INFO: (IF YES FOR A OR B, COMPLETE THE SECOND PAGE OF THIS FORM AND PROVIDE ATTACHMENTS.)

A. WAS THIS WELL A COMMUNITY SWD WELL DURING ALL OR PART OF THIS REPORTING CYCLE? [ ] YES [ ] NO
B. WILL THIS WELL BE A COMMUNITY SWD WELL DURING THE NEXT REPORTING CYCLE? [ ] YES [ ] NO

CERTIFICATION

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this report and all attachments, and that based on my personal knowledge or inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. (L. R. S. 30:17)

NAME AND OFFICIAL TITLE (TYPE OR PRINT)
Joe Ball, President
PHONE (225) 342-5569
SIGNATURE
DATE March 12, 2012
COMMUNITY SALTWATER DISPOSAL WELL/SYSTEM
NOTIFICATION/CERTIFICATION

Community Saltwater Disposal Well or System is a saltwater disposal well within an oil or gas field which is used by operators in the field or adjacent fields for disposal of their produced water.

1. Saltwater is transported to this community well by:
   - □ Truck
   - □ Pipeline
   - □ Other (Explain) ______

2. Certification:

I, __________________________, __________________________,
(Name of Company Official) (Title)
hereby certify that the information contained herein is accurate and complete to the best of my knowledge. I further certify that the community disposal well and system identified herein is a noncommercial operation and that operators using the system share only in the cost of operating and maintaining the well, related storage tanks, and equipment.

_________________________  __________________________
(Signature) (Date) March 12, 2012

3. Attach one (1) copy of all signed agreements for disposal of produced saltwater. Such agreements must contain wording acceptable to the Commissioner and indicate compliance with the certification in 2. above.

NOTE: This community well notification/certification replaces the annual filing of Form UIC-13.
**FORM UIC-10 SOURCE FLUID ATTACHMENT**

**FOR CALENDAR YEAR 2011**

Serial Number: 979999
Well Name: JOE BALL SWD
Operator Name: JOE BALL, LLC
Organization ID: JO00

<table>
<thead>
<tr>
<th>SOURCE TYPE (A,B,C,D)</th>
<th>LUW CODE or WELL NAME (A,B,C)</th>
<th>SERIAL NUMBER (B,C)</th>
<th>WELL NUMBER (B,C)</th>
<th>ORGANIZATION NAME (C,D)</th>
<th>ORG ID (C)</th>
<th>LUW TYPE CODE (A)</th>
<th>VOLUME (BBLs/YEAR) (A,B,C,D)</th>
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<td>B</td>
<td>JOB BALL ET AL</td>
<td>225693</td>
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<td>C</td>
<td>L BLAND CO</td>
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<td>BLAND &amp; CO, LLC</td>
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Completed By: JOE BALL
Signature: 
Phone No: 225-342-5515
Date: March 12, 2012

Notes:
- Source Type 'A' - Fluids from operator's wells within this field
- Source Type 'C' - Fluids from other operator's wells
- Source Type 'B' - Fluids from operator's wells from other fields
- Source Type 'D' - Fluids from "Other" sources
CES Map of Parish Assignments
Form UIC-5

Class II Well Integrity Test Affidavit
## WELL AND OPERATOR INFORMATION

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Code</th>
<th>Parish</th>
<th>Parish Code</th>
<th>Section</th>
<th>Township</th>
<th>Range</th>
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<tbody>
<tr>
<td>WELL NAME</td>
<td>WELL NO</td>
<td>WELL SERIAL NO</td>
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</table>

<table>
<thead>
<tr>
<th>Operator Name</th>
<th>Operator Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAILING ADDRESS</td>
<td>CITY, STATE, ZIP CODE</td>
</tr>
<tr>
<td>CONTACT PERSON</td>
<td>E-MAIL ADDRESS</td>
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**Test Reason:**
- [ ] NEW PERMIT- APPL NO:
- [ ] WORKOVER- WORK PERMIT NO
- [ ] PERIODIC

## WELL CONSTRUCTION

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<thead>
<tr>
<th>Total Depth (feet)</th>
<th>PBTD (feet)</th>
<th>Injection Interval(s) (feet)</th>
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</thead>
<tbody>
<tr>
<td>Tubing Depth (feet)</td>
<td>Tubing Size</td>
<td>Size of casing being tested</td>
</tr>
<tr>
<td>Packer Depth (feet)</td>
<td>Packer Make/Model</td>
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## MECHANICAL INTEGRITY PRESSURE TEST (MIPT)

**Perform MIPT at 300 PSI for a minimum of 30 minutes (500 PSI for EOR wells)**

<table>
<thead>
<tr>
<th>Date of Test</th>
<th>Start Time</th>
<th>Injection Pressure</th>
<th>Annulus Pressure</th>
<th>End Time</th>
<th>Injection Pressure</th>
<th>Annulus Pressure</th>
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</tbody>
</table>

- [ ] WELL INJECTING DURING TEST
- [ ] WELL SHUT-IN DURING TEST

## STATIC FLUID LEVEL MEASUREMENT

<table>
<thead>
<tr>
<th>Date of Measurement</th>
<th>Static Fluid Level Measurement (feet)</th>
<th>SFL Measurement Method</th>
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</thead>
</table>

## CERTIFICATION

**Operator Representative**

I, ____________________________

(PRINT NAME)

THE UNDERSIGNED, HEREBY STATE THAT I AM EMPLOYED BY ____________________________

(PRINT NAME)

AND HEREBY CERTIFY THAT I AM AUTHORIZED TO MAKE THIS REPORT AND THAT THE SUBJECT WELL TEST WAS PERFORMED UNDER MY SUPERVISION AND DIRECTION AND THAT ALL FACTS STATED HEREIN ARE TRUE, CORRECT AND COMPLETE.

SIGNATURE

TITLE

**Third Party Witness**

I, ____________________________

(PRINT NAME)

THE UNDERSIGNED, HEREBY STATE THAT I AM EMPLOYED BY ____________________________

(PRINT NAME)

AND HEREBY CERTIFY THAT I WITNESSED THE PERFORMANCE OF THE PRESSURE TEST(S) SHOWN ABOVE AND THAT THE TEST DATA STATED HEREIN IS TRUE, CORRECT AND COMPLETE.

SIGNATURE

TITLE