Suspension of Production Operations FAQ’s

Q) When does my suspension of production operations or shut-in well authorization expire?
A) They expire one year from the approval date.

Q) We have a suspension of production operations on a lease, which, we just assigned to another company. Does the new operator need to apply for a new suspension of production operations or shut-in well authorization?
A) Yes, the new company must apply for a new suspension of production or shut-in well authorization.

Q) Is it true I have to notify the Office of State Lands & Investments if we wish to relinquish a lease?
A) Yes, you do need to provide Office of State Lands & Investments with an official written statement you are relinquishing all interest in the lease. If you choose not to notify us, you jeopardize your good standing with the State.

Q) Is it true that it is the company’s responsibility to apply for suspensions of production operations and shut-in well authorizations?
A) Yes, it is a company’s responsibility to know the status of all their leases and all wells, and maintain them in a manner that will keep them in good standing with the State. (Notification will be sent by this office when it is necessary to renew a suspension of production operations or shut-in well authorization)

Q) What ramifications could result from our failure to maintain proper suspensions of production operations and shut-in well authorizations?
A) Failure to do so may result in any of the following, lease termination, order to plug and abandon all wells, loss of bonding, and denial of future suspensions of production operations or shut-in well authorizations.

Q) Are the ramifications the same for failing to plug a well and perform complete land reclamation?
A) Yes.

Q) I have a well that needs repairs and it is estimated the well will be down for approximately three months. Do I have to apply for a shut-in well authorization?
A) Yes, any well that does not or will not be able to produce for three months or more will require a shut-in well authorization.

Q) Can we shut-in a well and then apply for the shut-in well authorization?
A) No, a company must wait for the official approval of the Board of the shut-in well authorization before shutting in the well, excluding mechanical failure or possible loss of reservoir.

Q) What is the rent per acre on a lease with a suspension of production operations?
A) The rent increments are as follows:
1st SOO rent will be $3 an acre
2nd and 3rd SOO rent will be $5 an acre
4th and 5th SOO rent will be $10 an acre
6th and greater SOO rent will be $20 an acre

Q) Whom should I contact regarding suspensions of production operations or shut-in well authorizations?
A) Lisa Howell. She can be reached at lisa.howell@wyo.gov

Q) Who are the contacts for bonding up in satisfaction of one of the suspension approval conditions?
A) Lisa Howell lisa.howell@wyo.gov or Donna Bracht donna.bracht@wyo.gov