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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

BRIAN C. STEED  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

May 8, 2020

## NOTICE TO OIL & GAS PRODUCERS

Re: Temporary Exceptions to the General Oil and Gas Administrative Rules in Response to the COVID-19 Pandemic

In response to the global health crisis resulting from the COVID-19 virus and the subsequent economic deterioration of the petroleum industry, the Division of Oil, Gas and Mining (Division) recognizes the need to make temporary adjustments to the General Rules governing oil and gas operations so as to minimize risk of exposure to the virus, and to provide some economic stability to industry, without sacrificing the protection of human health and the environment.

Pursuant to the authority granted by Utah Admin. Code Rule 649-2-1(3), I, as the Director of the Division, hereby grant temporary exceptions to the following Administrative Rules:

R649-3-1(4.2): The Division hereby extends the period of time for posting a bond in compliance with the bonding rule from 120 days to 180 days.

R649-3-1(8): In cases where bond coverage currently exists and there needs to be a change in the form or amount of bond coverage, the Division will allow for up to 180 days to establish modification of bond coverage.

R649-3-4(4): The Division hereby extends the period of time that an approval of an APD is valid from 12 months to 24 months, unless the Division receives a complaint related to operatorship, at which time the APD extension will be evaluated.

R649-3-32(2.1): Immediate notification of major undesirable events continues to be required within a maximum of 24 hours after discovery. However, the Division hereby extends the methods of immediate communication from solely verbal communication to allow for notification via email and text messaging that will constitute valid notification.

R649-3-32(2.2): The Division hereby extends the period of time for a complete written report of a major undesirable event from 5 days to 15 days.

R649-3-32(3.1): The Division hereby extends the period of time for a complete written report of a minor undesirable event from 5 days to 15 days.



The Division reminds all affected parties that R649-3-36(1) regarding Shut-in and Temporarily Abandoned Wells currently allows operators to request from the Division an extended shut-in time beyond 12 consecutive months upon a showing of good cause. Similarly, R649-3-36(3) currently allows operators to extend the final plugging of a shut-in well beyond 5 years upon a showing of good cause by the operator. There will be no changes in the provisions of this rule as it already adequately allows operators to request extended shut-in status for wells under the rule.

The aforementioned temporary rule exceptions will be effective only until the later occurrence of either of the two following conditions:

1. The public health guidelines described in Governor Herbert's issuance "Utah Leads Together, Utah's plan for a health and economic recovery" (April 17, 2020, Version 2) achieve the level of "Green" for the areas of active petroleum activity in the state; or
2. When market conditions for Utah oil production, including the WTI benchmark price of U.S. oil, stabilizes at levels existing in January 2020 or the Director of the Division determines that the economics causing the need for temporary exception have subsided.

Questions regarding this Division Order can be directed to Bart Kettle, Deputy Director, Oil and Gas Program, at bartkettle@utah.gov.

Sincerely,

  
John Baza (May 12, 2020)

John Baza  
Director