COLORADO Energy & Carbon Management Commission Department of Natural Resources

Operator Guidance for Repurposing Out of Service Wells

Background

ECMC is directed to regulate Oil and Gas Operations in a reasonable manner to protect and minimize adverse impacts to public health, safety, and welfare, the environment, and wildlife resources. C.R.S. § 34-60-106(2.5). In carrying out this mission, ECMC is also required to take actions to avoid the drilling of unnecessary wells.

The State's <u>Greenhouse Gas Pollution Reduction Roadmap</u>, updated in 2024, directed ECMC to explore regulatory and policy changes needed to encourage Operators to convert Low Producing, Inactive, and/or Orphaned Wells (for such options as geothermal energy, biogenic hydrogen production, gravity-based energy storage, burying of biochar, and carbon sequestration) in lieu of plugging and abandonment. Owners/Operators of the above defined wells occasionally seek to repurpose a well for uses not contemplated by the ECMC permit that authorized its construction.

General Process

For a well that has been designated as Out of Service, the Operator may submit a Form 6A Revised - Repurpose to ECMC to request the ability to use that well for beneficial use other than hydrocarbon production. The Form 6A repurpose request is for an individual well and the other wells designated as Out of Service on the original Form 6A designation remain on the Plugging List and subject to the original plugging due date. A well that is being repurposed for a beneficial use other than hydrocarbon production and will still be designated as an out of service well and be assigned a new plugging due date based on the expected life of the repurpose project.

Repurposed, Out of Service Wells continue to be subject to all ECMC rules and regulations. ECMC staff will review the Form 6A repurpose request and apply specific conditions of approval, including Financial Assurance requirements, in order to ensure that the well remains in compliance with the Rules. Once the well is no longer being put to the repurposed use, it must be immediately plugged, abandoned, and the Location reclaimed in accordance with ECMC Rules.

Creating a Form 6A Repurpose

The Form 6A Repurpose is available in Webforms. From the Webforms dashboard use the "New Form" button on the top header to create a New Form.

From the pop up available Form options select Form 06A - Out of Service Designation. Then choose the Revised - Repurpose option and input the well's API.

Form 06A	×
Operator Num:	
Purpose of this Form 6A	
Out of Service Designation	
Revised - Repurpose	
API: 05 - 00	
Save Save	se

Figure 1: Picture of the Form creation wizard in webforms.

Note, Operator must be the Operator of record for that well to create and submit a Form 6A Revised Repurpose. Additionally, the well must have been previously listed on a Form 6A Out of Service Designation in order to be repurposed. If an Operator would like to propose to repurpose an Orphan Well reach out ECMC Orphan Well Manager and Enforcement Manager.

Information Requirements

Within the text box on the Repurpose tab of the Form, the Operator must provide a description of the repurpose project. This should include the intent, purpose, and timeline. The Operator should consider and include details related to any location/facility changes, integrity monitoring programs (visual inspections, bradenhead tests, MITs etc.), water usage and how that would be reported, and expected life of the project.

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							Re	vised - Repurpose	
Operator & Contact Info	Repurpose	Submit	Attachments	Review*	General Comments/COA*	Status*			
Repurpose for a Beneficial Use Other than Hydrocarbon Production									
API Number:	-	-							
Well Name:				Well Number:					
Describe the intended beneficial use other than hydrocarbon production for this Well.									

Figure 2: Picture of the Repurpose tab of the Form 6A Revised - Repurpose highlighting the text box where the Operator will supply the project details.

Location Considerations

The Operator should include details about location/facility changes on the Form 6A Revised - Repurpose. Any changes to equipment on location should be addressed. A Form 4 Sundry Notice filed on the location may be required to document those changes. Removal of equipment may need prior approval of a Form 27 Site Investigation and Remediation Workplan. If the Operator is proposing to expand beyond the originally permitted disturbance an Oil and Gas Development Plan may be required. Additionally, a plan must be included for the flowlines that were used while this was an Oil and Gas Well.

Financial Assurance Considerations

The Operator must supply Financial Assurance Plan number for Financial Capability on the Form 6A Revised - Repurpose. Depending on the scope and impacts of the beneficial use project, modifications to existing financial assurance may be necessary.

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							Revised - Repurp	ose
Operator & Conta	act Info	Repurpose	Submit	Attachments	Review*	General Comments/COA*	Status*	
OPERATOR INFO	RMATION	I I						
Operator Num:	5		Suff:	N/A ¢				
Address:	1120 LIN	COLN ST SUITE 8	D1					
City:	DENVER	ι	State:	СО	Zip:	80203		
CONTACT INFOR	MATION							
Contact Nam	ie:				(eg	First Name Last Name)		
Phon	ie:							
Ema	ail:							
EVIDENCE OF FI	NANCIAL	CAPABILITY						
			ly capable o	f meeting the timeli	nes required b	y Rule 434.d.(4) for its Plugging L	ist. (If this space is inadequate, provide as an	

Figure 3: Picture of the Operator & Contact Info tab with the text box highlighted where the Operator must supply Financial Assurance Plan information.

Attachment Requirements

The following must be included with all Form 6A Revised - Repurpose form submissions.

- Current Wellbore Diagram (drawing of the current state of the well at time of submission)
- Proposed Wellbore Diagram (drawing of the proposed features of the well)
- Location/Facility layout (include what equipment will be removed, remain or be added)

The following list are suggested attachments that may be beneficial to include depending on the project type.

- Any logs that were run to prepare for change of use
- Proposed operation plans if downhole configuration will be changed
- Correspondence with other agencies or parties
- Proposed Facility Layout drawings

Rule Citations

Rule 434.d.(9).B:

An Operator may repurpose an Out of Service Well on its Plugging List for a beneficial use other than hydrocarbon production, subject to the Director's written approval of a Revised Form 6A.

Energy and Carbon Management Commission (ECMC) rules provide the following definitions:

GAS WELL shall mean a well, the principal production of which at the mouth of the well is gas, as defined by the Act.

OIL WELL shall mean a well, the principal production of which at the mouth of the well is oil, as defined by the Act.

ORPHANED WELL means a Well for which no Owner or Operator can be found, or where such Owner or Operator is unwilling or unable to Plug and Abandon such Well.

OUT OF SERVICE WELL means a Well that an Operator intends to Plug and Abandon and for which a Form 6A, Out of Service Well Designation has been submitted by the Operator.

WELL means a Deep Geothermal Well, an Oil And Gas Well, a Class II UIC Well, a Geothermal Injection Well, a Stratigraphic Well, a Gas Storage Well, a Geothermal Science Well, or a Well used for the purpose of monitoring or observing a subsurface reservoir.

A. DEEP GEOTHERMAL WELL means a hole drilled for exploration for and production of Allocated Geothermal Resources or Geothermal Resources that are deeper than two thousand five hundred (2,500) feet below the surface. Deep Geothermal Well includes Geothermal Injection Wells.

B. OIL AND GAS WELL means a hole drilled for the purpose of producing oil or gas (including non-hydrocarbon gases such as Carbon Dioxide and Helium).