

# OIL AND GAS EVENTS

# Oil and Gas Events

- ▣ When I started this position in July, 1996:
- ▣ BBL oil: \$24 - \$25
- ▣ Gas at the pump approximately \$1.84
- ▣ The Oil and Gas Program was in The Division of Water Supply.
- ▣ There were three inspectors: Chuck Kennedy, Sam Ramsey and Joe Haney.

# Oil and Gas Events

- ▣ In 1997 Chuck Kennedy decided to retire. He was not replaced.
- ▣ In 1998 Sam Ramsey decides to retire.
- ▣ Sam Ramsey was replaced with Jeff Laxton.
- ▣ In 1999 Joe Haney retired and he was replaced with Glenn Burke.

# Oil and Gas Events

- ▣ In my first year of permitting, the oil and gas program permitted 85 wells for year in 1996.
- ▣ In 1997 the number of permits increased to 110 and gradually continued to increase to an average of approximately 138 permits per year up until the directional drilling boom took over in 2006.

# Oil and Gas Events

- ▣ In 1998 the oil and gas program was move back to The Division of Geology.
- ▣ The Program Mgr. was Mike Hoyal and Mike Burton was the technical secretary.

# Oil and Gas Events

- ▣ From 1997 to 2003 the oil and gas program received two request for Unitization for Indian Creek Field and Oneida West Field.
- ▣ The Indian Creek Field was approved in 2001 and proved to be an successful operation.
- ▣ Oneida West Field has since been rescinded.
- ▣ In 2002 we had a rule change in the regulations to remove some unnecessary rules and to change the landowner bond from \$1000 to \$500.

# Oil and Gas Events

- ▣ In 1999 Bill Goodwin submitted a document for the Oil and Gas Program to use to address abandoned wells in the state.
- ▣ I still use this document today to determined what wells can be address for plugging purposes.

# Oil and Gas Events

- ▣ In 2001 Paul Coombs and Elaine Foust were instrumental in creating an access database for the oil and gas program that addressed permitting, compliance and production. This became a handy tool for the program to use for all phases of enforcement.
- ▣ Since about 2017 the access database has become too large to handle all the data for oil and gas.



# Oil and Gas Events

- ▣ In 2017 the STS Division for TDEC began to write a new oil and gas database into the state oracle database.
- ▣ This database has failed because there was no one capable enough to include both permitting and production into one entity for the oil and gas program's use.
- ▣ STS devised an oracle database for just permitting and they wanted us to use excel database for production only, which we rejected.

# Oil and Gas Events

- ▣ From about 2004 to 2011 we had the horizontal well drilling era in TN by two Companies known as:
- ▣ Atlas American later Atlas of TN now owned by Diversified Oil and Gas.
- ▣ Consol with their subsidiaries known as Knox Energy and CNX Gas now owned by Nytis.
- ▣ These companies carried the bulk of the horizontal wells during this period. There have been a total of 117 horizontal wells drilled in the State of Tennessee.

# Oil and Gas Events

- ▣ In 2006 the Oil and Gas Program was moved to the Division of Water Pollution Control.
- ▣ It was during this time we change the permit fee from \$150 to \$500 and the change operator fees and amend well permit fees from \$25 to \$100.
- ▣ In addition, the oil and gas board directed the oil and gas program to look at making our casing requirements more stringent.

# Oil and Gas Events

- ▣ In 2002 and 2007 the State of Tennessee had two major blowouts.
- ▣ 1. The Pryor Oil Well Blowout In Morgan Co.
- ▣ 2. The Dan Potts Blowout in Oliver Springs TN.
- ▣ Both of these events created a situation for some rule changes to the regulations.
- ▣ The board passed rules to address these issues and approved the Temporary Abandonment rule in 2007.

# Oil and Gas Events

- ▣ The Pryor Oil Well Blowout: Forced Operations to have a blowout preventer for all wells prior to drilling. This requirement was already in the regulations but was not enforced. TOGA began to train individuals to be site coordinators for permitting purposes in TN.
- ▣ The Dan Potts blowout required a policy to be put in place for more stringent casing requirements. These policies were later codified as regulation in 2010. It also requires all operators to have additional blowout preventers for wells drilled below the Chattanooga Shale.

# Oil and Gas Events

Form 2003 to the present the oil and gas program has been involved in plugging abandoned wells by foreclosing on existing bonds.

It was also during this same the year TDEC formed a new group call the Division of Financial Responsibility.

It is through this new group the Oil and Gas Program was able to foreclose on bonds and plug abandoned wells more efficiently. To date we have plugged or will plug approximately 700 wells with approximately 1.2 million in plugging funds.

# Oil and Gas Events

- ▣ In 2008 Jeff Laxton left the oil and gas program to go to work for Consol. Jeff Patton came to the oil and gas program in 2006.
- ▣ In 2015 Jeff Patton went to The Cookeville Field Office as new Program Mgr. for the Division of Water Resources.
- ▣ Jeff Patton was replaced by Christina Coyt.
- ▣ There was brief period we had Brandy Long as an inspector with the program in 2007.



# Oil and Gas Events

- ▣ In 2010 the Oil and Gas Program experienced many changes that was addressed by the oil and gas board.
- ▣ In 2010 the bonding requirements were changed to better address future abandoned wells in the state.



- ▣ It was during this board hearing in 2010 the environmental community protested the board hearing demanding rules be passed for “fracking “ to prevent what had happened in PA at that time or rather what I called who would have control of oil and gas drilling in the State of TN.

# Oil and Gas Events

- ▣ As many of you are aware there was number of formal submittals for rule changes and request for certain rules that really did not apply to the State of TN. Finally in 2012 rules were codified for well treatment and well cementing in the State of Tennessee which are in place today.

# Oil and Gas Events

- ▣ In 2012 the Haslam Administration combined the oil and gas board with the water board.
- ▣ The oil and gas program has had only one board hearing since for a rule change concerning tank battery placement and increasing the landowner bond from \$500 to \$1500. The hearing was in 2018.

# Oil and Gas Events

- ▣ In 2012 the legislature took \$1,000,000 from the plugging fund because there were no plugging contracts administered in 2011.
- ▣ However as I attempted to explain I was working off the interest to plug all the abandoned wells in the state and not to touch the principal of the current money in the plugging fund. The funds were removed and now I am about spend all the money in the plugging fund.

# Oil and Gas Events

- ▣ As of today we have permitted a total of 13034 wells in TN since 1969.
- ▣ From 2016 to 2018 the State of TN has average approximately 63 permits per year.
- ▣ The most productive oil well in TN was the Wayne Brown #3 Well in Allons TN permitted in 1996.
- ▣ Approximately 240,000 BBLS was produced from this well over a 15 year period .

# Oil and Gas Events

▣ A typical day for me:

- ▣ *Caller:* Hello this is Eloise Bow and I am calling about the letter you sent addressing me and my husband Shirley Bow and you called him "Ms." I told you last year he is my husband and he is not a she. He is Mr. Shirley Bow.
- ▣ *Me:* Yes ma' that is correct and I apologize for the error and I promise this will not happen again.
- ▣ *Caller:* My son signed for the certified mail you sent but if I had been here and gotten it I would have not signed it because there is no "Ms." Shirley Bow here.
- ▣ *Me;* Yes ma' I apologize for the oversight and it will not happen again.

# Oil and Gas Events

- ▣ *Caller:* You said that last year and here you have sent me another letter concerning my Annual Well Report on my oil well. We don't have that well anymore a Mr. Joe Hicks has that well.
- ▣ *Me:* Yes ma' however, the Oil and Gas Program indicates the oil well is in your name and not Joe Hicks. He will have to submit a change of operator signed by both of you to show he is the official operator of the well and an Annual Well Report for the oil production for the well.
- ▣ *Caller:* Well...Joe Hicks has been operating that well but he is in jail right now and I guess he can't do anything. Not meaning to gossip about anyone.

# Oil and Gas Events

- ▣ *Me*: No ma' I guess not. Since the well is in your name you will need to send in the Annual Well Report for the production of your oil well.
- ▣ *Caller*: So I just fill out this form and sent it in? Do I put my production under where it says barrels of oil?
- ▣ *Me*: Yes ma'
- ▣ *Caller*: Ok, I guess I will get that to you today.



# Oil and Gas Events

▣ My Plans: ???

- ▣ To be more of a full time pastor and to move forward in this phase of my life and my wife's life.
- ▣ Basically the State Job was to put beans on the table while I continued to pastor and be active in Christian Ministry.

# Oil and Gas Events

- ▣ Remember:
- ▣ Proverbs 25:24
- ▣ “It is better to dwell in the corner of the housetop, than with a brawling woman and in a wide house. “

# Oil and Gas Events

- ▣ I would like to thank the following people:
- ▣ Chuck Kennedy and Joe Haney Posthumously.
- ▣ Glenn Burke, Jeff Patton, Jeff Laxton, Martin Kohl and Christina Coyt for being good friends and a great help during many battles we faced with various operators.
- ▣ Elaine Foust, Christine Vaughn and Kathy Mitchell for their help in making me look good and putting up with me when I slammed the phone down.
- ▣ I would like to thank Don Owens as a supervisor who was a great help to me.

# Oil and Gas Events

- ▣ I would like to thank some of you in TOGA for your help when we needed to address serious issues in field. I know some of you have not always agreed with how I have made decisions from time to time but always remember:
- ▣ *“The evidence of a good regulator is when nobody is happy that means the regulatory has done his or her job.”*