

Item 5 – Discussion on Well Spacing Exemptions

During the Correlative Rights subcommittee discussions held on February 22nd and April 6th, it became clear that our current rules would allow property owners seeking a new well to be “spaced out” by existing wells thereby possibly depriving the landowner an ability to drill a well. The District Rules adopted at the inception did not require existing wells to have legally assigned acreage associated with the well.

Mark Carrabba, chair of the subcommittee, asked to have this item placed on the agenda for discussion and possible action. Any action would be moving draft language to a Rules Hearing. Below is suggested language:

Draft Proposed Amendment:

RULE 6.2. EXCEPTIONS TO SPACING REQUIREMENTS

- (e) Well spacing of new non-exempt wells completed in the District are exempted from complying with Rule 6.1(b)(2),(3), to the extent that the spacing does not allow the new well owner to produce their Production Based Acreage under Rules 7.1(c).

It is the recommendation by the General Manager for the Board to adopt the above draft language to amend the District Rules and move the language to a Rules Hearing.