

Questions for Director Baza

1. Well Information

- a. The well statistics published on DOGM's web site are only for wells under DOGM's jurisdiction, correct?
- b. How often are non-producing wells reviewed to determine whether they should be allowed to remain in suspended status or whether DOGM should issue an order to plug the wells?
- c. Subtracting "Total Wells Capable of Production" (13,851) from "Total Non-Plugged Wells" (16,396), it appears that there were 2,545 wells that were neither plugged nor capable of producing oil or gas as of November 9, 2021. Is this an accurate number? If these wells are not capable of production, why haven't they been plugged? What is being done to reduce the risk that these wells will be abandoned before they are plugged?

2. Bonding Adequacy

- a. How does DOGM determine the adequacy of the bond amount?
- b. Does DOGM review or consider the financial health of the operator when reviewing bonding adequacy, and if so, how is financial health determined?
- c. How often does DOGM review those determinations?
- d. What is being done to enforce existing bonding requirements?
- e. How often does DOGM increase bonding requirements?

3. Rulemaking to Revise Bonding Requirements

- a. On 2/26/20 the Oil and Gas Board authorized DOGM to begin informal rulemaking to update its bonding rules. What is the status of that effort? Has DOGM initiated formal rulemaking?
- b. What is the status of rulemaking to address bonding rules and when should we anticipate formal rulemaking?

4. Financial Risk

- a. How many unbonded wells are located on state or private land within Utah?
[Note, in a 2/26/20 presentation to the O&G Board, DOGM indicated that there were 11,940 wells with no bond (state & fee lands only; feds hold bonds for some other lands). Has that number changed?]
- b. How many wells that are located on state or private land are covered by blanket bond?
- c. How many wells that are located on state or private land are covered by individual bonds that are inadequate to cover all closure costs?
- d. What is the potential best- and worst-case scenario for the state of Utah?