

**RULES
OF
TENNESSEE STATE OIL AND GAS BOARD**

**CHAPTER 1040-04-09
PRESSURE MAINTENANCE PROJECTS
AND SECONDARY RECOVERY**

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1040-04-09-.01 APPLICATION.

Any person desiring to institute secondary recovery or pressure maintenance projects must apply to the Supervisor by letter setting forth the request, and submit a Pressure Maintenance and Secondary Recovery Questionnaire (Form Q-PMSR).

Authority: T.C.A. §§ 60-1-201 et seq., and 4-5-201 et seq. **Administrative History:** Original rule was certified May 24, 1974. Repeal and new rule filed October 17, 2011; effective January 15, 2012.

1040-04-09-.02 ADMINISTRATIVE APPROVAL.

If the common source of supply, for which such operations are to be instituted, lies within a single lease, or all interested parties voluntarily agree, the project may administratively be approved by the Supervisor.

Authority: T.C.A. §§ 60-1-201 et seq., and 4-5-201 et seq. **Administrative History:** Original rule was certified May 24, 1974. Repeal and new rule filed October 17, 2011; effective January 15, 2012.

1040-04-09-.03 APPROVAL BY SPECIAL ORDER.

All other categories of secondary recovery and pressure maintenance projects must be approved by special order, after a public hearing and by determination of the Oil and Gas Board that waste will be prevented and the unit operation will increase ultimate recovery; that the unit operation is feasible; that each owner will receive his just and equitable share; and that fifty percent (50%) or more of the owners have approved the unit operation.

Authority: T.C.A. §§ 60-1-201 et seq., and 4-5-201 et seq. **Administrative History:** Original rule was certified May 24, 1974. Repeal and new rule filed October 17, 2011; effective January 15, 2012.

1040-04-09-.04 POOLWIDE UNIT-FORMATION.

When the common source of supply is not restricted to a single lease, a poolwide unit must be formed prior to the Oil and Gas Board granting approval for secondary recovery and pressure maintenance projects.

Authority: T.C.A. §§ 60-1-201 et seq., and 4-5-201 et seq. **Administrative History:** Original rule was certified May 24, 1974. Repeal and new rule filed October 17, 2011; effective January 15, 2012.

1040-04-09-.05 CASING AND SEALING WELLS.

Wells drilled or reworked for use in the injection of fluids or gases shall be adequately cased and sealed to prevent injection or migration of injected substances into any strata or stratum other than the objective.

(Rule 1040-04-09-.05, continued)

Authority: T.C.A. §§ 60-1-201 et seq., and 4-5-201 et seq. **Administrative History:** Original rule was certified May 24, 1974. Repeal and new rule filed October 17, 2011; effective January 15, 2012.

1040-04-09-.06 INPUT WELL PROCEDURE.

The drilling and plugging of any input well shall follow the same procedure that is employed in drilling or plugging oil and gas wells.

Authority: T.C.A. §§ 60-1-201 et seq., and 4-5-201 et seq. **Administrative History:** Original rule was certified May 24, 1974. Repeal and new rule filed October 17, 2011; effective January 15, 2012.

1040-04-09-.07 PRO-RATA PAYMENT.

The owners of working interest in secondary recovery and pressure projects are required to pay their pro-rata share of the cost of equipping and operating said project. If any working interest owner fails to tender this just and reasonable share of costs, the Board may provide that the operator shall withhold all proceeds and be reimbursed for the non-participating owner's share of the proceeds to the extent of one hundred fifty percent (150%) to two hundred percent (200%) of the amount advanced.

Authority: T.C.A. §§ 60-1-201 et seq., and 4-5-201 et seq. **Administrative History:** Original rule was certified May 24, 1974. Repeal and new rule filed October 17, 2011; effective January 15, 2012.

1040-04-09-.08 APPLICATION FOR HEARING.

Any owner may apply for a hearing before the Oil and Gas Board to obtain relief from unjust and unreasonable costs assessed by the project operation, provided he shows that he has either conferred or attempted to confer with the operator for the purpose of settling the dispute prior to making application to the Board.

Authority: T.C.A. §§ 60-1-201 et seq., and 4-5-201 et seq. **Administrative History:** Original rule was certified May 24, 1974. Repeal and new rule filed October 17, 2011; effective January 15, 2012.