

Byron Mallott  
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Anchorage, Alaska 99501  
907.269.7460  
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**OFFICE OF THE LIEUTENANT GOVERNOR  
ALASKA**

**MEMORANDUM**

**TO:** Minta Montalbo  
Department of Administration

**FROM:** Scott Meriwether, Office of the Lieutenant Governor 465.4081 

**DATE:** June 18, 2018

**RE:** Filed Permanent Regulations: Oil and Gas Conservation Commission  
Alaska Oil and Gas Conservation Commission: Surface Casing and Permafrost (20 AAC 25.030)

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Attorney General File:	JU2017200738
Regulation Filed:	6/18/2018
Effective Date:	7/18/2018
Print:	227, October 2018

cc with enclosures: Linda Miller, Department of Law  
Judy Herndon, LexisNexis

ORDER CERTIFYING THE CHANGES TO  
REGULATIONS OF THE ALASKA OIL AND GAS CONSERATION COMMISSION

The attached 1 page of regulations is certified to be a correct copy of the regulation change that the Alaska Oil and Gas Conservation Commission adopted at its March 7, 2018 meeting, under the authority of AS 31.05 and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

On the record, in considering public comments, the Alaska Oil and Gas Conservation Commission paid special attention to the cost to private persons of the regulatory action being taken.

The regulation changes described in this order take effect on the 30th day after they have been filed by the lieutenant governor as provided in AS 44.62.180.

Date: March 7, 2018



Hollis S. French, Chair, AOGCC

FILING CERTIFICATION

I, Byron Mallott, Lieutenant Governor for the State of Alaska, certify that on June 18, 2018 at 9:27 A.m., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.



Lieutenant Governor

Effective: July 18, 2018

Register: 22<sup>nd</sup>, October 2018

20 AAC 25.030(c)(3) is amended to read:

(c)(3) surface casing must be set below the base of all strata known or reasonably expected to serve as a source of drinking water for human consumption, **below the base of permafrost**, and at a depth sufficient to provide a competent anchor for BOPE. (Eff. 4/13/80, Register 74; am 4/2/86, Register 97; am 11/7/99, Register 152; Eff. <sup>am</sup> 7/18/2008, Register 227).

**Authority:** AS 31.05.030

# MEMORANDUM

## State of Alaska Department of Law

**To:** The Honorable Byron Mallott  
Lieutenant Governor

**Date:** June 14, 2018

**File No.:** JU2017200738

**Tel. No.:** 465-3600

**From:** Susan R. Pollard *SRP*  
Chief Assistant Attorney General  
and Regulations Attorney  
Legislation and Regulations Section

**Re:** Alaska Oil and Gas Conservation  
Commission: 20 AAC 25.030:  
Surface Casing and Permafrost

We have reviewed the attached Alaska Oil and Gas Conservation Commission regulations against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This memorandum constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations.

The regulations were adopted by the commission after the close of the public comment period. The regulations concern requiring that surface casing be cemented below the base of permafrost.

The November 7, 2017 public notice and the March 7, 2018 certification of adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required.

We have made a minor technical correction to conform the regulations in accordance with AS 44.62.125 as shown on the attached copy of the regulations.

SRP/jkc

cc:

Honorable Hollis French, Commissioner  
Department of Administration (AOGCC)

Minta Montalbo, Office of the Commissioner  
Department of Administration

Jody Colombie, Special Assistant  
Department of Administration (AOGCC)

Thomas Ballantine, Sr. Assistant Attorney General  
Natural Resources Section

NOTICE OF PROPOSED CHANGES ON CASING AND CEMENTING REGULATION  
IN THE REGULATIONS OF ALASKA OIL AND GAS CONSERVATION COMMISSION

The Alaska Oil and Gas Conservation Commission proposes to adopt the following change to 20 AAC 25.030 of the Alaska Administrative Code, dealing with Casing and Cementing:

- (1) 20 AAC 25.030(c)(3) is proposed to be changed to add the requirement that surface casing must be set below the base of permafrost.

You may comment on the proposed regulation change, including the potential costs to private persons of complying with the proposed change, by submitting written comments to Jody J. Colombie at 333 West 7<sup>th</sup> Avenue, Anchorage, Alaska 99501. Additionally, the Alaska Oil and Gas Conservation Commission will accept comments by facsimile at (907) 276-7542 and by electronic mail at [jody.colombie@alaska.gov](mailto:jody.colombie@alaska.gov). The comments must be received not later than 5:00 p.m. on December 20, 2017.

A hearing on the proposed change will be held on January 4, 2018 at 333 West 7<sup>th</sup> Avenue, Anchorage, Alaska 99501. The hearing will be held at 10:00 a.m. and might be extended to accommodate those present before 10:15 a.m. who did not have an opportunity to comment. Oral or written comments may be submitted at the hearing.

You may submit written questions relevant to the proposed action to Jody J. Colombie, [jody.colombie@alaska.gov](mailto:jody.colombie@alaska.gov) and 333 West 7<sup>th</sup> Avenue, Anchorage, Alaska 99501. The questions must be received at least 10 days before the end of the public comment period. If deemed relevant to the proposed change, the Alaska Oil and Gas Conservation Commission will address the questions at the hearing. If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Jody J. Colombie at [jody.colombie@alaska.gov](mailto:jody.colombie@alaska.gov), (907) 793-1221 not later than December 29, 2017, to ensure that any necessary accommodation can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System and by contacting Jody J. Colombie at [jody.colombie@alaska.gov](mailto:jody.colombie@alaska.gov), (907) 793-1221.

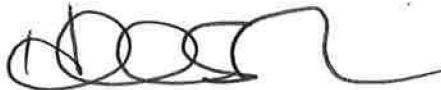
After the public comment period ends, the Alaska Oil and Gas Conservation Commission will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. You should comment during the time allowed if your interests could be affected.

**Statutory authority:** AS 31.05.030

**Statutes being implemented, interpreted, or made specific:** AS 31.05.030

**Fiscal information:** The proposed regulation change is not expected to require an increased appropriation.

Date: November 6, 2017



Hollis S. French, Chair, Commission, AOGCC



ADDITIONAL REGULATION NOTICE INFORMATION  
(AS 44.62.190(d))

1. Adopting agency: Alaska Oil and Gas Conservation Commission
2. General subject of regulation: Casing and Cementing
3. Citation of regulation: 20 AAC 25.030(c)(3)
4. Department of Law file number: \_\_\_\_\_
5. Reason for the proposed action:

- ( ) Compliance with federal law or action (identify): \_\_\_\_\_
- ( ) Compliance with new or changed state statute
- ( ) Compliance with federal or state court decision (identify): \_\_\_\_\_
- ( ) Development of program standards
- (X) Other (identify): Address and correct a recently discovered vulnerability of wells where the casing shoe has been set in permafrost.

6. Appropriation/Allocation: 2010/21

7. Estimated annual cost to comply with the proposed action to:

A private person: Zero

Another state agency: Zero

A municipality: Zero

8. Cost of implementation to the state agency and available funding (in thousands of dollars):

	Initial Year FY19	Subsequent Years
Operating Cost	\$0_____	\$0_____
Capital Cost	\$0_____	\$0_____
1002 Federal receipts	\$0_____	\$0_____
1003 General fund match	\$0_____	\$0_____
1004 General fund	\$0_____	\$0_____
1005 General fund/ program	\$0_____	\$0_____
Other (identify)	\$0_____	\$0_____

9. The name of the contact person for the regulation:

Name: Jody J. Colombie

Title: AOGCC Special Assistant

Address: 333 West 7<sup>th</sup> Avenue, Anchorage, Alaska 99501

Telephone: (907) 793-1221

E-mail address: jody.colombie@alaska.gov

10. The origin of the proposed action:

☒ Staff of state agency

☐ Federal government

☐ General public

☐ Petition for regulation change

☐ Other (identify): \_\_\_\_\_

11. Date: November 6, 2017

Prepared by

Name: Jody J. Colombie

Title: AOGCC Special Assistant

Telephone: (907) 793-1221

AFFIDAVIT OF NOTICE OF PROPOSED REGULATION  
AND FURNISHING OF ADDITIONAL INFORMATION

I, Jody J. Colombie, Special Assistant, of the Alaska Oil and Gas Conservation Commission, being sworn, state the following:

As required by AS 44.62.190, notice of the proposed adoption of changes to 20 AAC 25-280(f) has been given by being


- (1) published in a newspaper or trade publication;
- (2) furnished to interested persons;
- (3) furnished to appropriate state officials;
- (4) furnished to the Department of Law, along with a copy of the proposed regulation;
- (5) furnished electronically to incumbent State of Alaska legislators;
- (6) furnished to the Legislative Affairs Agency, Division of Legal and Research Services;
- (7) posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1);
- (8) furnished electronically, along with a copy of the proposed regulation, to the Legislative Affairs Agency, the chair of the Resources Committee of the Alaska Senate and House of Representatives, the Administrative Regulation Review Committee, and the legislative council.

As required by AS 44.62.190, additional regulation notice information regarding the proposed adoption of the regulation changes described above has been furnished to interested persons and those in (5) and (6) of the list above. The additional regulation notice information also has been posted on the Alaska Online Public Notice System.

Date: March 7, 2018

  
Jody J. Colombie, Special Assistant, AOGCC

Subscribed and sworn to before me at Anchorage, Alaska on March 7, 2018.

  
Notary Public in and for the State of Alaska



AFFIDAVIT OF ORAL HEARING

I, Hollis S. French, Chair of the Alaska Oil and Gas Conservation Commission, being sworn, state the following:

On March 7, 2018, at 10:00 a.m., 333 West 7<sup>th</sup> Avenue, Anchorage, Alaska 99501, I presided over a public hearing held under AS 44.62.210 for the purpose of taking testimony in connection with the adoption of changes to 20 AAC 25.030(c)(3).

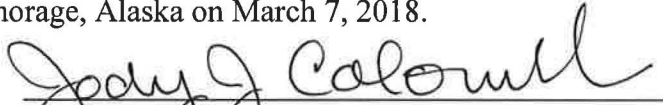
Date: March 7, 2018



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Hollis S. French, Commissioner, AOGCC

Subscribed and sworn to before me at Anchorage, Alaska on March 7, 2018.

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Notary Public in and for the State of Alaska

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NOV 09 2017

AOGCC

# AFFIDAVIT OF PUBLICATION

STATE OF ALASKA

THIRD JUDICIAL DISTRICT

Lisa Hartlieb  
being first duly sworn on oath deposes and  
says that he/she is a representative of the  
Alaska Dispatch News, a daily newspaper.  
That said newspaper has been approved  
by the Third Judicial Court, Anchorage,  
Alaska, and it now and has been published  
in the English language continually as a  
daily newspaper in Anchorage, Alaska, and  
it is now and during all said time was  
printed in an office maintained at the  
aforesaid place of publication of said  
newspaper. That the annexed is a copy of  
an advertisement as it was published in  
regular issues (and not in supplemental  
form) of said newspaper on

November 07, 2017

and that such newspaper was regularly  
distributed to its subscribers during all of  
said period. That the full amount of the fee  
charged for the foregoing publication is not  
in excess of the rate charged private  
individuals.

Signed

Subscribed and sworn to before me  
this 7th day of November, 2017

Notary Public in and for  
The State of Alaska.  
Third Division  
Anchorage, Alaska  
MY COMMISSION EXPIRES

Notary Public  
BRITNEY L. THOMPSON  
State of Alaska  
My Commission Expires Feb 23, 2019

## NOTICE OF PROPOSED CHANGES ON CASING AND CEMENTING REGULATION IN THE REGULATIONS OF ALASKA OIL AND GAS CONSERVATION COMMISSION

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A copy of the proposed regulation changes is available on the Alaska Online Public Notice System and by contacting Jody J. Colombie at jody.colombie@alaska.gov, (907) 793-1221.

After the public comment period ends, the Alaska Oil and Gas Conservation Commission will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. You should comment during the time allowed if your interests could be affected.

Statutory authority: AS 31.05.030

Statutes being implemented, interpreted, or made specific: AS 31.05.030

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AFFIDAVIT OF COMMISSION ACTION

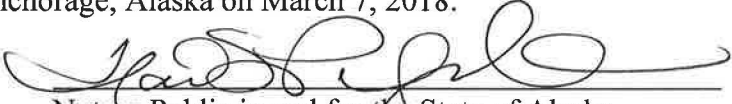
I, Jody J. Colombie, Special Assistant, for the Alaska Oil and Gas Conservation Commission, being duly sworn, state the following:

The attached motion dealing with casing and cementing was passed by the Alaska Oil and Gas Conservation Commission during its March 7, 2018 meeting.

Date: March 7, 2018

  
Jody J. Colombie, AOGCC Special Assistant

Subscribed and sworn to before me at Anchorage, Alaska on March 7, 2018.

  
Notary Public in and for the State of Alaska

ALASKA OIL AND GAS CONSERVATION COMMISSION HEARING

March 7, 2018

Excerpt From Unapproved Minutes

Commissioner Daniel T. Seamount, Jr. moved and Commissioner. Hollis S. French seconded the following motion:

I move to adopt 20 AAC 25.030(c)(3)

The motion carried unanimously.