3160-4 - CONVERSION TO WATER WELL

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3160-4 - CONVERSION TO WATER WELL

.01 Purpose. This Manual Section provides guidelines and procedures for converting unsuccessful oil and gas tests and abandoned oil and gas wells to water supply wells, and for the disposition of water supply wells that are drilled for use in oil and gas exploration, development, and producing operations.

.02 Objectives. The objective of this program is to ensure that, when needed by the Bureau of Land Management (BLM), by other surface management agencies (SMA), or by private surface owners, all wells that have encountered usable water are abandoned in a manner that allows the future beneficial use of that water.

.03 Authority.

A. Federal Land Policy and Management Act of 1976.

B. 43 CFR 2300, 3040, 3160; Onshore Oil and Gas Order No. 1, Approval of Operations on Onshore Federal and Indian Oil and Gas Leases (Circular No. 2538). The following passages from 43 CFR 2300, 3040, and 3160 and from Order No. 1 are relevant to the conversion of oil and gas wells to water wells:

1. Subpart 2310--Withdrawals, General--Procedure.

2. Subpart 3045--Geophysical Exploration (Oil and Gas).

3. Section 3162.3-4 Well Abandonment.

4. Section 3162.4-2 Samples, Tests, and Surveys.

5. Order No. 1, Section VI, Water Well Conversion.

C. Indian Oil and Gas Leases. Many Indian oil and gas leases are issued with language similar to the following: If so required by the Commissioner or his authorized representative, the lessee shall condition, under the direction of the authorized officer, any wells drilled which do not produce oil and/or gas in paying quantities, as determined by the authorized officer, but which are capable of producing water satisfactory for domestic, agricultural, or livestock use by the lessor. Adjustment of cost for conditioning of the well will be made in said cases where it is determined that the well will produce water satisfactorily as aforesaid.

D. Standard Oil and Gas Leases. Standard Federal oil and gas lease terms provide that the lessor reserves the right to purchase casing and to lease or operate valuable water wells.

.04 Responsibility.

A. Secretary. The Secretary has the authority to withdraw federally owned surface around the site of a water well and, if such option is exercised, the authority to reserve the appurtenant water rights.

B. State Director. The State Director is authorized to initiate requests for Secretarial withdrawal of federally owned surface around the site of a well used for water supply purposes and to submit requests for the acquisition of appropriative water rights from individual States, whenever the related water well is situated on surface managed by the Bureau.

C. District Manager. If delegated, the District Manager is responsible for: (1) facilitating the acquisition of wells that can be utilized beneficially for water supply purposes, (2) approving related water well releases, and (3) submitting requests to individual States for the acquisition of appropriative water rights when the related water well is situated on Bureau managed lands.

D. Resource Area Manager. The Area Manager may undertake those responsibilities of the District Manager that are delegated.

.05 References.

A. Manual Section 3160-1 - Application for Permit to Drill and Subsequent Operations.

B. Former USGS Conservation Division Manual chapter on well abandonment, R62-CDM 643.3.

C. 43 U.S.C. 300.

D. 30 U.S.C. 229a.

E. Organic Adminstration Act of 1897.

F. Multiple Use-Sustained Yield Act of 1960.

.06 Policy. It is the policy of the BLM to identify and protect all usable water resources on jurisdiction lands for beneficial use now or in the future. The individual States have the primary authority and responsibility for the allocation and management of water resources within their respective borders. Thus, except where the Secretary elects to withdraw the surface of involved Federal lands and to reserve the appurtenant water rights, the BLM or other SMA, as the case may be, must comply with applicable State laws to secure the appropriation of the necessary water rights.

3160-4 - CONVERSION TO WATER WELL

.1 Guidelines. The Bureau of Land Management will seek to acquire wells on lands that it manages for water supply purposes and will cooperate with and assist other SMA's and private surface owners in acquiring wells for this purpose. As such, the Bureau of Land Management must work closely with the involved operator when it is desirable to acquire a particular well for this purpose. Potentially suitable wells include those that: (1) were drilled as a water supply source in support of exploration, development, and producing operations and are no longer needed by the operator; (2) encountered usable water but were unsuccessful in discovering commercial quantities of oil and/or gas and are to be plugged and abandoned; and (3) encountered usable water and are to be plugged and abandoned because they no longer are capable of producing oil or gas in commercial quantities. The BLM's primary responsibility, whenever any well is to be abandoned, is to ensure that it is plugged properly, either to the surface or, if it is to be acquired for future use as a water well, to the base of the deepest water-bearing interval of interest. Additional guidance for well abandonment is provided in former USGS Conservation Division Manual chapter R62-CDM 643.3. Any entity (BLM, other SMA, or private surface owner) desiring to obtain such a well as a water source well must assume the cost for any additional work on the well beyond the normal plugging and abandonment required of the operator, and the cost of subsequent operations, and must assume future liability for the well by written agreement.

.11 Restrictions. The conversion of a noncommercial oil or gas well to a water supply well and its subsequent operation is subject to all applicable State laws, BLM regulations, and/or special use permits and, if on lands managed by another SMA, to that SMA's applicable requirements. Those who obtain and/or operate such wells are responsible for compliance with all such applicable requirements.

.12 Liability. Each release from future liability for a well acquired for water supply purposes must be signed by the appropriate party or parties. Suggested formats for release from future liability are provided in Illustrations 1-5. If the well originally was drilled as a water supply well, the operator should furnish BLM with a copy of any statement of completion and description of well filed with the State at the time that execution of the water well release is completed. Thereafter, any other agency and/or individual desiring to use the well must make appropriate arrangement with the party who has accepted liability.

.13 Water Quality Determinations. The authorized officer may require samples, tests, and surveys to be taken by the lessee, without cost to the lessor, to ascertain the presence of or to determine the quality of waters that are encountered during oil and gas drilling operations. Accordingly, routine water analyses are to be required whenever significant finds of water are encountered during such drilling operations, unless the quality of the water in the interval or intervals in question generally is known from available data, or where obtaining representative water samples would be impractical. When an analysis is required to determine water quality, it must be performed by a recognized and/or accredited laboratory. The authorized officer will act on requests for water quality determinations that are initiated by the Bureau or received from other Federal agencies when there is interest in obtaining a particular well as a water supply source.

.14 Water Rights. The Bureau or other SMA's may acquire, for water supply purposes, those noncommercial oil and gas wells, unsuccessful tests, and associated water supply wells located on lands under their respective management at the time the operator intends to abandon such wells. The water rights associated with those wells that were acquired for this purpose prior to the enactment of the Federal Land Policy and Management Act (FLPMA), i.e., prior to October 21, 1976, were reserved automatically under the provisions of 43 U.S.C. 300 and/or 30 U.S.C. 229a. These previously reserved water rights are still valid and will remain in full force and effect, pursuant to Section 701(c) of FLPMA. However, with the enactment of FLPMA, the automatic reservation provisions of 43 U.S.C. 300 and 30 U.S.C. 229a were repealed. Thus, the water rights associated with wells acquired after October 21, 1976, must be obtained by the Bureau or other SMA (if located on non-BLM land), either by filing for appropriated water rights in accordance with applicable State water laws, or be reserved by a Secretarial election to withdraw the land around the well site pursuant to Section 204(d) and (i) of FLPMA. (Note that some States do not grant water rights to groundwater.) Where a well is to be drilled specifically for a water supply source in support of oil and gas activities, some States require that the operator file for the water rights prior to the commencement of drilling operations. In those instances, the appropriation of the water rights by BLM or another SMA under State law cannot take effect until the initial right has expired. The operator should be requested to inform BLM whether such a permit has been obtained and, if so, when it will expire. Once any well has been acquired, the well may be operated by the Bureau or other SMA, as appropriate, to produce water for use on the lands it manages, or may be leased to private entrepreneurs to impound, store, transport, and/or distribute the water for beneficial uses on the managed lands or other lands. In the latter case, the Bureau or other SMA, as appropriate, may charge the fair market value for the use of the land necessary for the operation of the well and access thereto and for the rights-of-way associated with the distribution of the water to customers.

.15 Protection of Other Minerals. All wells must be completed and abandoned in a manner that: (1) prevents the intermingling of fluids (oil, gas, and water) between formations or intervals that contain fluids of significantly different quality, and (2) protects other minerals (coal, trona, etc.). When a well is no longer needed by the operator, the authorized officer shall require it to be properly plugged, either to the surface or to the base of the deepest water interval of interest, when it is to be acquired from the operator for future use.

.16 Water Supply Wells. All wells that are drilled specifically for water supply purposes in support of oil and gas leasehold operations must receive the prior approval of the authorized officer via the Application for Permit to Drill (APD) process. In accordance with Order No. 1, the drilling of such a water supply well by the operator generally is authorized in conjunction with the Bureau's approval of a related APD for the oil and gas well. A separate application to drill a water supply well by means of an additional APD is required only where the proposed water supply well will penetrate one or more potentially oil and gas bearing intervals, or where an approval is not associated with a related APD for an oil and gas well. Prior to approval, the authorized officer establishes the surface protection and rehabilitation requirements and determines whether there is an interest in ultimately acquiring the well. When a water supply well is not needed by the operator and is to be abandoned, the authorized officer will approve its plugging to the surface, or its partial plugging or capping in a manner that will enable BLM, another SMA, or a private surface owner to acquire and utilize it as a water supply well.

A. Other Applicable Regulations. The authorized officer's approval to drill a water supply well does not convey any water rights to the operator, and the use of water from the well is subject to applicable State laws and regulations. The use of water from such wells also may be subject to the regulations of and/or stipulations imposed by BLM or the appropriate SMA.

B. On Unleased Land. Water supply wells drilled on unleased land or on a lease other than that for which the water is used are subject to special land use permits or similar authorizations issued by the appropriate SMA. For example, the construction of a ditch, canal, reservoir, or water pipeline on or across public lands will require a Bureau right-of-way under Title V of FLPMA.

.2 Procedures. For lands where the surface is owned by the Federal Government, the following procedures and associated responsibilities must be followed in acquiring a well for use as a water supply source.

.21 BLM Managed Lands.

A. Decision on Acquiring a Water Well. The authorized officer should decide whether or not a water well is desired at the site while the related APD is being reviewed. If the decision is affirmative and the well encounters usable water, it may be acquired by the Bureau at the time the operator proposes to abandon it.

B. Notifying the Lessee. If a water well is desired, the authorized officer should so notify the operator at the time the APD is approved, and request the operator to provide the necessary cost data when a notice of intention to abandon the well is subsequently filed.

C. Cost Reimbursement and Liability. If, at abandonment, BLM elects to assume further responsibility for the well, the Bureau must reimburse the operator (while required, this rarely occurs in practice) for any recoverable casing or surface equipment to be left in or on the hole solely because the Bureau intends to maintain it as a water supply well or to convert it for such purposes. The payment is based on cost figures (salvage value) supplied by the operator (and verified by the authorized officer) prior to abandonment. When conversion of an unsuccessful test or noncommercial oil and/or gas well is involved, the operator must abandon the well to the base of the deepest fresh water interval of interest, as required by the authorized officer, and complete the reclamation operations, as required by the drilling permit. The process also includes assuring that all paperwork pertaining to the transfer of future liability is signed by the necessary parties before the partial plugging occurs. By signing the release form, the authorized officer accepts, on behalf of the Bureau, the future liability for the operation of the well, including the final plugging when it is no longer needed as a water supply well. However, the operator is not relieved entirely of its responsibility for the well until the required reclamation operations have been completed to the Bureau's satisfaction and the authorized officer has approved the partial abandonment.

D. Acquiring Water Rights. Upon receipt of a notice of intention to abandon, BLM must make its final decision as to whether it wishes to acquire the well for future use as a water supply source. In many instances, it will be necessary that this decision be made within a few hours after notification of the proposed abandonment. If BLM elects to accept the well, the water rights must be acquired. This is accomplished by the State Director, District Manager, or Area Manager either filing for the appropriated water rights with the State (the more common practice) or, in rare instances, by asserting a Federal reserved water right after obtaining a Secretarial withdrawal of the land around the well site pursuant to Section 204(d) of the FLPMA (see 43 CFR 2310 for withdrawal procedures). In the latter case, the acreage withdrawn should be the least amount necessary to support the use of the well for water supply purposes, but the amount of acreage recommended for withdrawal is left to the discretion of the authorized officer. Since both methods for acquiring the water rights are time consuming, well abandonment to the base of the deepest water bearing interval of interest should, in practice, be allowed to proceed once all appropriate parties (operator, lessee, and authorized officer) have signed the water well release form. Acquisition of the appropriated water rights via State laws or by the assertion of Federal reserved water rights via a Secretarial withdrawal will be accomplished after completion of the abandonment operations.

.22 Other SMA Lands.

A. SMA Informed of Proposed Application. Upon receipt of an APD, the authorized officer immediately furnishes the involved SMA with a copy of the APD.

B. SMA Decision on Acquiring a Water Well. The SMA should provide the authorized officer with a written declaration, proposed prior to approval of the drilling operations, as to whether or not a water well is desired at the site, with its proposed reclamation requirements for the well. If the decision is affirmative and the well encounters usable water, the well may be acquired by the SMA at the time the operator proposes to abandon it.

C. Notifying the Lessee. If the SMA indicates that a water well is desired, the authorized officer should so notify the operator at the time the APD is approved and request the operator to provide the necessary cost data when a notice of intention to abandon is subsequently filed.

D. Cost Reimbursement and Liability. If, at abandonment, the SMA elects to assume future responsibility for the well, the SMA must reimburse the operator (while required, this rarely occurs in practice) for any recoverable casing or surface equipment to be left in or on the hole, solely because the SMA intends to maintain it as a water supply well or to convert it for such purposes. The payment is based on cost figures (salvage value) supplied by the operator (and verified by the authorized officer) prior to abandonment. When conversion of an unsuccessful test or noncommercial oil and/or gas well is involved, the operator must abandon the well to the base of the deepest fresh water interval of interest, as required by the authorized officer, and complete the reclamation operations, as required by the drilling permit. This process also includes assuring that all paperwork pertaining to the transfer of future liability is signed by an appropriate official of the SMA before the partial plugging occurs. By signing the release form, the appropriate SMA official accepts, on behalf of that SMA, the future liability for the operation of the well, including the final plugging when it is no longer needed as a water supply well. However, the operator is not relieved entirely of its responsibility for the well until the required reclamation operations have been completed to the SMA's satisfaction and the authorized officer has approved the partial abandonment.

E. Acquiring Water Rights. Upon receipt of a notice of intention to abandon, the authorized officer furnishes the appropriate SMA with a copy of the notice and the estimated cost of the casing and the surface equipment to be left in or on the hole, for those wells previously requested. The SMA then must make its final decision as to whether it wishes to acquire the well for future use as a water supply well. The authorized officer provides as much advance notice as possible, but it is recognized that, in many instances, the SMA's decision must be made within a few hours after notification of the proposed abandonment. If the SMA elects to accept the well, the water rights must be acquired. This is accomplished by the SMA either filing for the appropriated water rights with the State (the more common practice) or, in rare instances and with the consent of the head of the SMA, by asserting a Federal reserved water right after obtaining a Secretarial (Interior) withdrawal of the land around the well site pursuant to Section 204(d) and (i) of the FLPMA (see 43 CFR 2310 for withdrawal procedures). In the latter case, the acreage withdrawn should be the least amount necessary to support the use of the well for water supply purposes, but the amount of acreage recommended for withdrawal should be left to the discretion of the SMA. In the case of the U.S. Forest Service, a Federal reserved water right may be claimed if the water is to be used for the primary purposes of the Organic Administration Act of 1897 or for the purposes of the Multiple Use-Sustained Yield Act of 1960. Since both methods for acquiring the water rights are time consuming, well abandonment to the base of the deepest water bearing interval of interest should, in practice, be allowed to proceed once all appropriate parties (operator, lessee, and SMA official) have signed the water well release form. Acquisition of the appropriated water rights via State laws or by the assertion of Federal reserved water rights via a Secretarial withdrawal will be accomplished after completion of the abandonment operations.

.3 Seismic Operation. The drilling of shot holes in association with the conduction of seismic operations may result in the discovery of usable water. Thus, when a notice of intent to conduct seismic operations involving this technique is received for an area in which there is an interest in establishing a water supply source, the authorized officer should require the applicant to provide prompt notification of any such water discovery. If the quantity and quality of the discovered water are such that a decision is made to acquire the hole for use as a water supply well, the authorized officer must so inform the operator and execute an appropriate water well release form relieving the operator from any further liability for the operation and subsequent plugging of the hole. The Bureau is responsible for the cost of completing the hole as a water supply well. The authorized officer may utilize the operator's personnel and equipment in this regard, if the operator is willing to do so and has the necessary capability. However, the cost of the casing, materials such as cement, and other services are borne by the Bureau, and the operator must be compensated for the use of its equipment and personnel, at least to the extent of the additional expense incurred over and above that which would have been associated with merely plugging the hole. The associated water rights must also be acquired through one of the two available procedures discussed in .21D.

.4 Private Surface Ownership. The above procedures do not apply where the surface is owned by an individual. In those instances, copies of the operator's applications are not furnished to the private surface owner, and the owner is responsible for making arrangements with the operator to acquire a well for use as a water supply source. The private surface owner and the operator should advise the authorized officer of any such pending arrangement. However, when it is established that a particular well is to be left as a water supply well, the BLM acts as liaison between the operator and the private surface owner in obtaining a release from future liability (Release Agreement, Illustration 1) by requiring the well to be plugged and abandoned in a manner that facilitates its conversion to a water supply well. The private surface owner is responsible for compliance with any applicable State requirements.

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Glossary of Terms

- A -

authorized officer: any employee of the Bureau of Land Management authorized to perform the duties described herein.

- S -

surface management agency: a Federal agency, other than BLM, having jurisdiction over certain lands and the responsibility for protecting and managing the surface resources and uses of those lands, even though they have been leased for oil and gas exploration, development, and production subject to the approval and supervision of the authorized officer.

- W -

water well: any well containing a water source that is of such quality and quantity as to be usable at a reasonable cost for agricultural, domestic, or other beneficial purposes.

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Format for a Release Agreement--Patented Surface

RELEASE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that I _____, of the County of _____ in the State of _____, am the surface owner of the hereinafter described land upon which a well for oil or gas was drilled, to wit:

Operator _____

Lease Number _____

Lessee _____

Well No. _____ (__1/4__1/4) Sec.____, Twp.____, Rge.____.

The well is located _____ from the _____ line and

_____ feet from the _____ line of Sec. _____.

I do hereby notify the Bureau of Land Management of my desire to utilize said well as a water supply well and I do hereby release and discharge the operator, lessee, and the Bureau of Land Management from any further work or responsibility in relation to the plugging of said well.

WITNESS by hand and seal this _____ day of _____, 19___.

_____
Surface Owner

_____
Address

IN THE PRESENCE OF:

_____ Address _____

_____ Address _____ _____

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Format for a Water Well Release--Surface Managed by BLM

WATER WELL RELEASE

Instructions: District Manager prepares five copies. File orignial in District file. Submit one copy each to lessee and/or operator, surface owner, and State Office.	Lease Number or Notice of Intent Number

_____, hereinafter called operator and _____, hereinafter called lessee, do enter into an agreement by and between the United States of America, through the Bureau of Land Management, hereinafter called the Bureau, for release of water well no longer needed by lessee or operator.

Said water well was

____ drilled expressly for water to be used in drilling operation
____ discovered in the course of drilling for oil and gas
____ discovered by seismograph operators
____ other

Said water well is located in (give legal description)

in the State of _____.

The Bureau, acting through the Secretary of the Interior, agrees to assume control and responsibility of water well, with condition that subsequent use will not restrict operations of lessee and operator and thereby relieves lessee and operator of any further liability for plugging water well.

The lessee and the operator agree to quitclaim all rights to water well to the Bureau in lieu of plugging water well to surface.

It is further agreed by the undersigned that the owners of record title to the above oil and gas lease and the operator for lessee (name) _____ and well number _____, with surety bonds are relieved from liability in connection with water well, effective the date this instrument is signed, for extent of liability for satisfactorily plugging of water well to the surface.

IN WITNESS WHEREOF, the undersigned hereto have executed this instrument

By (signature) _____	For Lessee (name) _____	(date) _____
By (signature) _____	For Operator (name) _____	(date) _____

EXECUTED AND ACCEPTED BY BUREAU OF LAND MANAGEMENT	Authorized Officer. (signature) _____	(date) _____

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Format for a Water Well Release--Federal Surface Managed by Another SMA

WATER WELL RELEASE

WHEREAS, that certain Oil and Gas Lease was made and entered into on _____, by and between the United States of America, Lessor, and _____ _____, Lessee, bearing serial number _____; and

WHEREAS, _____, whose address is _____ _____ is the present Lessee of record; and

WHEREAS, said Lease provides that there is reserved by the Lessor all rights pursuant to Section 40 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, as amended), to acquire casing and lease or operate valuable water wells located on said Lease and lands; and

WHEREAS, _____, as operator has drilled a water well/an oil or gas test well located ____ feet from the _____ line and _____ feet from the _____ line of Section _____ in Township _____, Range _____, _____, said well being located in _____ of the said Section _____, a portion of the above lease, which well appears to contain water of such quality and quantity to be valuable and usable at a reasonable cost for agricultural, domestic, or other beneficial purposes; and

WHEREAS, _____, as lessee, and _____, as operator, desire to release, relinquish, and quitclaim all right, title, and interest in ~~and to said well to the United States of America in lieu of~~ plugging same to surface; and

WHEREAS, the United States of America, acting by and through the _____ desires, pursuant to said Lease and said Mineral Leasing Act of February 25, 1920, as amended, to take over said well with the express understanding and agreement that the taking over of such well will not restrict operations of said lease.

NOW, THEREFORE, for and in consideration of the above grant, the (SMA) _____ assumes all further responsibility for the said well and does relieve the oil and gas lessee, the operator, and the Bureau of Land Management of any future liability insofar as authorized by applicable laws and regulations pertaining to such use.

This instrument, regardless of the date of execution thereof, shall be effective as of _____.

IN WITNESS WHEREOF, the undersigned has executed this Release on this _____ day of _____, 19__.

Accepted _____(Date)_____ _____(Lessee/Operator)_____
With the _____(SMA)_____ assuming all future responsibility for same, thereby relieving the oil and gas lessee, operator, and the Bureau of Land Management of any future liability for the well.

By _____
(Title)
DEPARTMENT OF _____
(Agency)

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Format for Water Well Release--Indian Surface-Federal Minerals

WATER WELL RELEASE

WHEREAS, that certain Oil and Gas Lease was made and entered into on _____, by and between the United States of America, Lessor, and _____, Lessee, bearing serial number _____; and

WHEREAS, _____

_____

are the present Lessees of record; and

WHEREAS, said Lease provides that there is reserved by the Lessor all rights pursuant to Section 40 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, as amended), to acquire casing and lease or operate valuable water wells located on said Lease and lands; and

WHEREAS, _____, as operator has drilled a water well/an oil or gas test well located ____ feet from the _____ line and _____ feet from the ____ line of Section _____ in Township _____, Range _____, said well being located in _____ of the said Section _____, a portion of the above lease, which well appears to contain water of such quantity to be valuable and usable at a reasonable cost of agricultural, domestic, or other beneficial purposes; and

WHEREAS, _____ as lessees, and _____, as operator, desire to release, relinquish, and quitclaim all right, title, and interest in and to said well to the United States of America in lieu of plugging same to surface; and

WHEREAS, ~~the United States of America, acting by and through the~~ _____ desires, pursuant to said Lease and said Mineral Leasing Act of February 25, 1920, as amended, to take over said well with the express understanding and agreement that the taking over of such well will not restrict operations of said lease.

NOW, THEREFORE, for and in consideration of the premises, the undersigned has released, relinquished, and quitclaimed, and does hereby release, relinquish, and quitclaim unto the United States of America, acting by and through the _____, all right, title, and interest in and to said above described well.

This instrument, regardless of the date of execution thereof, shall be effective as of _____.

IN WITNESS WHEREOF, the undersigned has executed this Release on this _____ day of _____, 19__.

Accepted _____(Date)_____ _____(Lessee/Operator)_____
With the _____(SMA)_____ assuming all future responsibility for same, thereby relieving the oil and gas lessee, operator, and the Bureau of Land Management of any futher liability for the well.

_____
(Agency Superintendent) (Area Director)
Bureau of Indian Affairs

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Format for a Water Well Release--
Tribal/Allotted Surface-Tribal/Allotted Minerals

WATER WELL RELEASE

WHEREAS, that certain Oil and Gas Lease was made and entered into on _____, by and between _____, Lessor, and _____, Lessee, bearing lease serial number _____; and

WHEREAS, _____

_____

are the present Lessees of record; and

WHEREAS, said Lease provides that there is reserved by the Lessor all rights to acquired casing and lease or operate wells located on said Lease and lands, which do not produce oil and/or gas in paying quantities, but which are capable of producing water satisfactory for domestic, agricultural, or livestock use; and

WHEREAS, _____, as operator has drilled a water well/an oil or gas test well located _____ feet from the _____line and _____ feet from the _____line of Section _____ in Township _____, Range _____, said well being located in _____ of the said Section _____, a portion of the above lease, which well appears to contain water of such quantity to be valuable and usable at a reasonable cost for agricultural, domestic, or other beneficial other purposes; and

WHEREAS, _____ as lessees, and _____, as operator, desire to release, relinquish, and quitclaim all right, title, and interest in and to said well to the Lessor in lieu of plugging same to surface; and

WHEREAS, the Lessor desires to take over said well with the express understanding and agreement that the taking over of such well will not restrict operations of said lease.

NOW, THEREFORE, for and in consideration of the premises, the undersigned has released, relinquished, and quitclaimed, and does hereby release, relinquish, and quitclaim unto the Lessor, all right, title, and interest in and to said above described well.

This instrument, regardless of the date of execution thereof, shall be effective as of _____.

IN WITNESS WHEREOF, the undersigned has executed this Release on this _____ day of _____, 19__.

Accepted _____(Date)_____ _____(Lessee/Operator)_____
With the _____(SMA)_____ assuming all future responsibility for same, thereby relieving the oil and gas lessee, operator, and the Bureau of Land Management of any futher liability for the well.

_____
(Agency Superintendent) (Area Director)
Bureau of Indian Affairs