WEST VIRGINIA CODE: §22C-9-2

§22C-9-2. Definitions.

(a) As used in this article:

(1) “Commission” means the Oil and Gas Conservation Commission and “commissioner” means the Oil and Gas Conservation Commissioner as provided for in §22C-9-4 of this code;

(2) “Correlative rights” means the reasonable opportunity of each person entitled thereto to recover and receive without waste the oil and gas in and under his or her tract or tracts, or the equivalent thereof;

(3) “Deep well” means any well, other than a shallow well, deep horizontal well, or a coalbed methane well, drilled to a formation below the top of the uppermost member of the “Onondaga Group”;

(4) “Director” means the Secretary of the Department of Environmental Protection and “chief” means the Chief of the Office of Oil and Gas;

(5) “Drilling unit” or “unit” means the acreage on which one or more wells may be drilled;

(6) “Gas” means all natural gas and all other fluid hydrocarbons not defined as oil as that term is defined in this section;

(7) “Horizontal drilling” means a method of drilling a well for the production of oil and gas that is intended to maximize the length of wellbore that is exposed to the formation and in which the wellbore is initially vertical but is eventually curved to become horizontal, or nearly horizontal, to be in a particular geologic formation;

(8) “Horizontal well” means an oil and gas well, other than a coalbed methane well, where the wellbore is initially drilled using a horizontal drilling method. A horizontal well may include multiple horizontal side laterals drilled into the same formation. A horizontal well may have completions into multiple formations from the same well. Multiple horizontal wells may be drilled from the same well pad. A horizontal well may be either a shallow well or a deep well so long as it is initially drilled using a horizontal drilling method;

(9) “Independent producer” means a producer of crude oil or natural gas whose allowance for depletion is determined under Section 613A of the federal Internal Revenue Code in effect on July 1, 1997;

(10) “Just and equitable share of production” means, as to each person, an amount of oil or gas or both substantially equal to the amount of recoverable oil and gas in that part of a pool, unit, or unconventional reservoir in the person’s tract or tracts within a unit.

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(11) “Natural gas liquids” means the liquid hydrocarbons removed from the natural gas through the process of fractionation or condensation.

(12) “Oil” means natural crude oil or petroleum and other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves the underground reservoir;

(13) “Operator” means any owner of the right to develop, operate, and produce oil and gas from a pool and to appropriate the oil and gas produced therefrom, either for that person or for that person and others; in the event that there is no oil and gas lease in existence with respect to the tract in question, for all sections in this article other than section 7a, the owner of the oil and gas rights therein is the “operator” to the extent of seven eighths of the oil and gas in that portion of the pool underlying the tract owned by the owner, and as “royalty owner” as to one-eighth interest in the oil and gas; and in the event the oil is owned separately from the gas, the owner of the substance being produced or sought to be produced from the pool or the unit is the “operator” as to that pool or acreage included in a unit; the term operator includes owners of working interests in a lease but does not include owners whose interest is limited to working interests in a wellbore only, overriding royalties, or net profits interests;

(14) “Person” means any natural person, corporation, limited liability company, partnership, receiver, trustee, executor, administrator, guardian, fiduciary or other representative of any kind, and includes any government or any political subdivision or any agency thereof;

(15) “Pool” means an underground accumulation of petroleum or gas in a single and separate reservoir (ordinarily a porous sandstone or limestone). It is characterized by a single natural-pressure system so that production of petroleum or gas from one part of the pool affects the reservoir pressure throughout its extent. A pool is bounded by geologic barriers in all directions, such as geologic structural conditions, impermeable strata, and water in the formations, so that it is effectively separated from any other pools that may be presented in the same district or on the same geologic structure;

(16) “Royalty owner” means any owner of oil and gas in place, or oil and gas rights, to the extent that the owner is not an operator as that term is defined in this section;

(17) “Shallow well” means any well other than a shallow horizontal well or a coalbed methane well, drilled no deeper than 100 feet below the top of the Onondaga Group: *Provided*, That in no event may the Onondaga Group formation or any formation below the Onondaga Group be produced, perforated or stimulated in any manner;

(18) “Unconventional reservoir” means any geologic formation that contains or is otherwise productive of oil or natural gas that generally cannot be produced at economic flow rates or in economic volumes except by wells stimulated by multiple hydraulic fracture treatments, a horizontal wellbore, or by using multilateral wellbores or some other technique to expose more of the formation to the wellbore;

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(19) "Vertical well" means an oil and gas well that does not utilize horizontal drilling methods. A vertical well may be either a shallow well or a deep well so long as it is initially drilled not using a horizontal drilling method;

(20) "Waste" means and includes:

(A) Physical waste, as that term is generally understood in the oil and gas industry;

(B) The locating, drilling, equipping, operating, or producing of any oil or gas well in a manner that causes, or tends to cause, a reduction in the quantity of oil or gas ultimately recoverable from a pool under prudent and proper operations, or that causes or tends to cause unnecessary or excessive surface loss of oil or gas; or

(C) The drilling of more horizontal wells or deep wells than are reasonably required to recover efficiently and economically the maximum amount of oil and gas from a pool, unit, or an unconventional reservoir. Waste does not include gas vented or released from any mine areas as defined in §22A-1-2 of this code or from adjacent coal seams which are the subject of a current permit issued under §22A-2-1 *et seq*. of this code: *Provided*, That this exclusion does not address ownership of the gas;

(21) "Well" means any shaft or hole sunk, drilled, bored, or dug into the earth or underground strata for the extraction of oil or gas;

(b) Unless the context clearly indicates otherwise, the use of the word "and" and the word "or" are interchangeable, as, for example, "oil and gas" means "oil or gas or both".

(c) A person with an interest in oil and gas in a unit formed under this article who does not consent to the unit shall have no liability in connection with well site preparation, drilling, completion, maintenance, reclamation, plugging, and other operations with respect to wells drilled in the unit: *Provided*, That this subsection shall not apply to any operator in a horizontal well unit, including but not limited to any non-consenting party who elects to participate in the horizontal well unit on a carried basis pursuant to §22C-9-7a of this code.

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