§ 23-0501. Well permits.

1. a. This section shall not apply to (1) wells drilled, deepened, plugged back or converted in oil fields or pools which were discovered, developed and operated prior to January first, nineteen hundred eighty-one, and (2) wells drilled, deepened, plugged back or converted in natural gas fields or pools which were discovered, developed and operated prior to January first, nineteen hundred ninety-five and which are not being extended.

b. As used in titles five, seven and nine of this article, unless the context otherwise requires:

(1) "Statewide spacing" means spacing units for gas or oil wells that are within ten percent of the following sizes, as applicable, unless another percentage is specifically stated:

(i) For Medina gas pools at any depth, 40 acres with the wellbore within the target formation no less than 460 feet from any unit boundary, plus, if applicable, the number of additional acres necessary and sufficient to ensure that any horizontal wellbore within the target formation is not less than 460 feet from any unit boundary;

(ii) For Onondaga reef or Oriskany gas pools at any depth, 160 acres with the wellbore within the target formation no less than 660 feet from any unit boundary, plus, if applicable, the number of additional acres necessary and sufficient to ensure that any horizontal wellbore within the target formation is not less than 660 feet from any unit boundary;

(iii) For fault-bounded Trenton and/or Black River hydrothermal dolomite gas pools where the majority of the pool is between 4,000 and 8,000 feet deep, 320 acres with the proposed productive section of the wellbore within the target formation no less than one-half mile from any other well in another unit in the same pool and no less than 1,000 feet from any unit boundary that is not defined by a field-bounding fault but in no event less than 660 feet from any unit boundary;

(iv) For fault-bounded Trenton and/or Black River hydrothermal dolomite gas pools where the majority of the pool is below 8,000 feet, within five percent of 640 acres with the proposed productive section of the wellbore within the target formation no less than one mile from any other well in another unit in the same pool and no less than 1,500 feet

from any unit boundary that is not defined by a field-bounding fault but in no event less than 660 feet from any unit boundary;

(v) For shale gas pools at any depth, for a vertical well outside any existing spacing unit for the same formation, 40 acres with the wellbore within the target formation no less than 460 feet from any unit boundary;

(vi) For shale gas pools at any depth, for a horizontal well outside any existing spacing unit for the same formation and with a written commitment from the well operator to drill infill wells pursuant to subdivision 4 of section 23-0503 of this title, with all horizontal infill wells in the unit to be drilled from a common well pad within three years of the date the first well in the unit commences drilling, notwithstanding the ten percent tolerance specified in this subparagraph, up to 640 acres with the initial horizontal wellbore or wellbores within the target formation approximately centered in the spacing unit and no wellbore in the target formation less than 330 feet from any unit boundary;

(vii) For shale gas pools at any depth, for a horizontal well outside any existing spacing unit for the same formation and in the absence of a written commitment from the well operator to drill infill wells pursuant to subdivision 4 of section 23-0503 of this title, 40 acres with the wellbore within the target formation no less than 330 feet from any unit boundary plus the number of additional acres necessary and sufficient to ensure that the wellbore within the target formation is not less than 330 feet from any unit boundary;

(viii) For all other gas pools where the majority of the pool is above the depth of 4,000 feet, 80 acres with the wellbore within the target formation no less than 460 feet from any unit boundary, plus, if applicable, the number of additional acres necessary and sufficient to ensure that any horizontal wellbore within the target formation is not less than 460 feet from any unit boundary;

(ix) For all other gas pools where the majority of the pool is 4,000 to 6,000 feet deep, 160 acres with the wellbore within the target formation no less than 660 feet from any unit boundary, plus, if applicable, the number of additional acres necessary and sufficient to ensure that any horizontal wellbore within the target formation is not less than 660 feet from any unit boundary;

(x) For all other gas pools where the majority of the pool is 6,000 to 8,000 feet deep, 320 acres with the wellbore within the target formation no less than 1,000 feet from any unit boundary, plus, if applicable, the number of additional acres necessary and sufficient to ensure that any horizontal wellbore within the target formation is not less than 1,000 feet from any unit boundary;

(xi) For all other gas pools where the majority of the pool is below 8,000 feet, within five percent of 640 acres with the wellbore within the target formation no less than 1,500 feet from any unit boundary, plus, if applicable, the number of additional acres necessary and sufficient to ensure that any horizontal wellbore within the target formation is not less than 1,500 feet from any unit boundary;

(xii) For oil pools in the Bass Island, Trenton, Black River, Onondaga reef or other oil-bearing reefs at any depth, 40 acres with the wellbore within the target formation no less than 460 feet from any unit boundary, plus, if applicable, the number of additional acres necessary and sufficient to ensure that any horizontal wellbore within the target formation is not less than 460 feet from any unit boundary; and

(xiii) For all other oil pools at any depth, the wellbore within the target formation shall be no less than 165 feet from any lease boundary.

Wells completed under a well permit issued pursuant to clause (xii) or (xiii) of this subparagraph that do not produce oil may not commence production of natural gas prior to modification of the spacing unit pursuant to applicable provisions of this title.

(2) "Well operator" means the applicant for a permit to drill, deepen, plug back or convert a well subject to this title and titles 7 and 9 of this article, or the actual operator of the well if the well is not operated by the original applicant.

(3) "Permit" or "well permit" means a permit to drill, deepen, plug back or convert a well for production of oil or gas.

2. Every person who applies for a permit to drill an oil or gas well or deepen or plug back a well to a different pool after the effective date of this section, notwithstanding prior orders, shall control through fee ownership, voluntary agreement, or integration pursuant to section 23-0701 or 23-0901 of this article no less than sixty percent of

the acreage within the proposed spacing unit for such well and shall provide the department with:

a. A map in a format specified by the department depicting the proposed spacing unit for the well, the surface and bottom hole locations of the well, the location of the wellbore in the target formation, the location of any field-bounding faults within the proposed spacing unit, the acreage of the proposed spacing unit, and the boundaries of each tract wholly or partially within the proposed spacing unit as may be evidenced by tax identification numbers; and

b. A demonstration that the applicant controls the oil or gas rights, as applicable, in the target formation to be penetrated by the wellbore, provided that, if the applicant does not control such oil or gas rights, the department shall issue a permit that is conditional upon the applicant completing the integration process required by section 23-0901 of this article before the applicant can exercise the right to drill, deepen, plug back or convert under the permit.

3. (a) No permits shall be issued authorizing an applicant to drill, deepen, plug back, or convert wells that use high-volume hydraulic fracturing or carbon dioxide to complete or recomplete natural gas or oil resources. For purposes of this section, high-volume hydraulic fracturing shall be defined as the stimulation of a well using three hundred thousand or more gallons of water as the base fluid for hydraulic fracturing for all stages in a well completion, regardless of whether the well is vertical or directional, including horizontal.

(b) There shall be a moratorium on the department taking actions on applications filed after the effective date of the chapter of the laws of 2020 which added this subdivision to drill, deepen, plug back, or convert wells that use gelled propane hydraulic fracturing to complete or recomplete natural gas or oil resources until the department completes an analysis of the potential impacts of gelled propane fracturing and makes the analysis publicly available. The scope of the department's analysis shall reflect the potential for development of oil and gas wells using gelled propane hydraulic fracturing and shall disclose the potential adverse impacts to the environment. For purposes

of this section, gelled propane hydraulic fracturing shall be defined as the stimulation of a well using gelled propane or liquefied petroleum gas as the base fluid for hydraulic fracturing for all stages in a well completion, regardless of whether the well is vertical or directional, including horizontal.

4. In furtherance of the policy objectives of this article, the department shall take all actions required by it under this title and titles 7 and 9 of this article as expeditiously as possible.