

ARKANSAS OIL AND GAS COMMISSION

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Asa Hutchinson
Governor



Lawrence Bengal
Director

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July 9, 2015

The Honorable Bill Sample, Chairperson
The Honorable David L. Branscum, Chairperson
C/o Ms. Marty Garrity
Legislative Council
Room 315, State Capitol
Little Rock, AR 72201

Dear Senator Sample and Representative Branscum:

In accordance with Section 7 of the Arkansas Oil and Gas Commission FY 2014-2015 Appropriation Act requiring quarterly reporting of activity in the Fayetteville Shale, the attached summary and supporting documentation is provided to the Arkansas Legislative Council and the Legislative Joint Budget Committee.

Included in this quarterly report are the following:

- (1) Summary of Arkansas Oil & Gas Commission Activity in the "Fayetteville Shale;"
- (2) Summary of Notices of Non-Compliance issued to companies operating in the "Fayetteville Shale;" and
- (3) Summary of Notices of Violations issued to companies operating in the "Fayetteville Shale."

If you have questions or require additional information please do not hesitate to contact my office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lawrence E. Bengal".

Lawrence E. Bengal
Director

COMMISSION MEMBERS

Chad White, Chairman, Magnolia
W. Frank Morledge, Vice-Chairman, Forrest City
Mike Davis, Magnolia ▪ William L. Dawkins, Jr., Fort Smith
Jerry Langley, Smackover ▪ Chris Weiser, Magnolia
Jim Phillips, Smackover ▪ George Carder, Searcy
Tim Smith, Fort Smith

AOGC Fayetteville Shale Activity Report
To Be Presented to the Arkansas Legislative Council
Reporting Period: April 1, 2015 through June 30, 2015

1. Inspection Staff

A. Number of Full Time Inspector Staff (Statewide).....	16
Number of Part Time Inspector Staff (Statewide).....	2
B. Number of Full Time Inspector Staff (Fayetteville Shale Only).....	7
C. Number of Part Time Inspector Staff (Fayetteville Shale Only)	2

2. Inspection/Compliance Reviews

A. Number at Field Inspections Conducted.....	6124
B. Number of Compliance Reviews Conducted	838
(1) Form 2 Drilling/ Fracture Permit.....	49
(2) Form 2A Drilling Pit Construction	16
(3) Form2B Drilling Pit Closure	28
(4) Form 3 Completion Report	84
(5) Form 3A Fracture Stimulation Report	93
(6) Form 4 Authority to Commence Production	79
(7) Form 12 Plugging Report.....	5
(8) Form 13 Production Test.....	131
(9) Form 14 Monthly Disposal Well Report	39
(10) Form 23 Well Transfer Report	103
(11) Form 24 Fire, Leak, Spill, Blowout Incident Report.....	0
(12) Form 25 Cross Unit Well Review	48
(13) Form 33 Temporary Abandonment	13
(14) Casing Setting Notice	148
(15) Form 38 Notice of Well Servicing (Disposal Wells).....	2

3. Complaints Received

A. Resolved without Field Investigation.....	1
B. Complaints Requiring Field Investigation.....	0
C. Investigations Resulting in Enforcement Actions	0

4. Enforcement

A. Number of Notices of Non-Compliance (NNC) Issued	0
(1) Operations-Related NNCs.....	0
(2) Administrative-Related NNCs.....	0
B. Number of Notices of Violation (NOV) Issued	0
(1) Operations-Related NOV.....	0
(2) Administrative-Related NOV.....	0
C. Number of Cessation Orders Issued.....	0

D. Number of Violations and/or Commission Orders Resulting in Civil Penalties0

5. Judicial Actions (See Summary Page for Details)

A. Number of Actions Filed0

B. Number of Actions Resolved or Concluded0

6. Inspection / Compliance Reviews Anticipated Next Quarter4500

7. Detail Report / Summary

A. Section 4D – Civil Penalties

None

B. Section 5 – Judicial Action

None

**AOGC Fayetteville Shale Activity Report
Summary & Report of Notices of Non-Compliance
Reporting Period: April 1, 2015 through June 30, 2015**

Operators Receiving Notices of Non-Compliance (NNC)

No Notices of Non-Compliance were issued this quarter

**AOGC Fayetteville Shale Activity Report
Summary & Report of Notices of Violation
Reporting Period: April 1, 2015 through June 30, 2015**

Operators Receiving Notices of Violation (NOV)

No Notices of Violation were issued this quarter