

Risk and Rating Factors for Production and Idle Wells Inspections

Production Inspections Rating Criteria

The Automated Fluid Minerals Support System (AFMSS) determines the Production Inspection ratings on a case/operator basis. Each lease, communitization agreement, unit, or unit participating area is a case. AFMSS assigns a rating to each case/operator that contains an active well (i.e., any case that has a well with a status other than APD, NOS, AAPD, DRG, DSI, LOC, RLOC, UAPD, UNOS, ABD, or P+A).

For the production inspections, there are four risk or rating factors:

- Overall Production Rating (Table 1)
- Missing Oil and Gas Operations Reports (OGOR) Rating (Table 2)
- Overall Compliance Rating (Table 3)
- Last Production Inspection (PI) Rating (Table 4)

AFMSS determines the Overall Production Rating based on both oil and natural gas production from the case/operator (shown in Table 1 below). AFMSS determines the average monthly oil and gas production from the last 12 OGORs available. If less than 12 OGORs are available, AFMSS uses only those that are available. AFMSS then adjusts the average oil and gas production by the percentage of Federal or Indian mineral ownership for the case. If the mineral ownership in AFMSS is blank, AFMSS will use a default value of 100 percent. AFMSS then adds these two ratings together to give the case/operator an overall rating for production. If the combined rating is higher than 10, AFMSS will show the rating as 10.

Table 1. Overall Production Rating		
Rating Level	Average Monthly Oil Production (Bbls)*	Average Monthly Natural Gas Production (MCF)*
0	0	0
1	1-99	1-1,999
2	100-499	2,000-9,999
3	500-999	10,000-19,999
4	1,000-1,999	20,000-39,999
5	2,000-2,999	40,000-59,999
6	3,000-3,999	60,000-79,999
7	4,000-4,999	80,000-99,999
8	5,000-5,999	100,000-119,999
9	6,000-6,999	120,000-139,999
10	>7,000	>140,000

*Barrels = Bbls, Thousand Cubic Feet = MCF

AFMSS then adds these two ratings together to give the case/operator an overall rating for production. If the combined rating is higher than 10, AFMSS will show the rating as 10.

AFMSS determines the Missing OGOR Rating based on the number of OGORs that are missing in AFMSS during the last 12 months. AFMSS looks for the OGORs beginning three (3) months prior to the run date to account for the due dates of the OGORs and time necessary to get the OGOR information into AFMSS. The BLM estimates 10 percent of the high-priority production cases are due to data issues with ONRR. The table below shows the rating system AFMSS uses to establish the rating factors for missing OGORs.

Table 2. Missing OGOR Rating	
Rating Level	Number of Missing OGORs for Last 12 Months
0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10 or more

AFMSS determines the Overall Compliance Rating based on the number of Federal Oil and Gas Royalty Management Act related Incidents of Noncompliance (INC) issued during the last 24 months. The Compliance Rating is broken into two parts: minor INCs and major INCs. Table 3 below shows the rating system AFMSS uses to establish the rating level for INCs.

Table 3. Overall Compliance Rating		
Rating Level	Number of Minor INCs Issued in the Past 24 Months	Number of Major INCs Issued in the Past 24 Months
0	0	0
1	1	
2		
3	2	
4		
5	3	1
6		
7	4	
8		
9	5	
10	6 or more	2 or more

AFMSS then adds these two ratings together to give the case/operator an overall rating for noncompliance. If the combined rating is higher than 10, AFMSS will show the rating as 10.

AFMSS determines the Last Production Inspection Rating using the last date that the field office (FO) conducted a production inspection on the case/operator. If AFMSS does not have an inspection date or the last inspection date is greater than five (5) years, the rating will be 10. The table below shows the rating system AFMSS uses to establish the rating level for last inspection.

Table 4. Last Production Inspection Rating	
Rating Level	Number of Years Since Last Inspection
1	
2	1-2
3	
4	2-3
5	
6	3-4
7	
8	4-5
9	
10	5 or more

AFMSS will combine these four rating factors to determine an overall rating factor. AFMSS will weight each rating factor on importance for the overall risk. Table 5 below shows the weighting factors AFMSS uses to establish the overall rating factor for each case.

Table 5. Weighted Importance of Risk, The Overall Rating Factor	
Rating Factor	Percent
Overall Production	25
Number of Missing OGORs	25
Overall Compliance	25
Last Production Inspection	25
Total	100

Idle Well Inspection Rating Criteria

AFMSS determines the Idle Well inspection priorities on a well-by-well basis. AFMSS assigns a priority to each well that has been idle (shut-in or temporarily abandoned for seven (7) years or more).

For the idle well inspections, there are four risk or rating factors:

- Idle Well Last Inspection Date Rating (Table 6)
- Number of Years Inactive Rating (Table 7)

- Well Status Comparison Rating (AFMSS status vs. OGOR status) (Table 8)
- Ratio of Inactive Wells Rating (Table 9)

Table 6 below shows the rating system AFMSS uses to establish the rating level for last inspection rating.

Table 6. Idle Well Last Inspection Rating	
Rating Level	Number of Years Since Last Inspection
1	0-5
2	
3	
4	
5	
6	5-6
7	6-7
8	7-8
9	8-9
10	9 or more

AFMSS determines the Time Inactive Rating based on the number of years a well has been inactive. An inactive well is any Federal or Indian well in AFMSS with a status of TA, OSI, DSI, GSI, SIWSI, WDWSI, WIWSI, GIWSI, or WSWSI, and the status start date in AFMSS is at least seven (7) years before the run date. Table 7 below shows the rating system AFMSS uses to establish the rating level for the number of years inactive.

Table 7. Time Inactive Rating	
Rating Level	Number of Years Inactive
1	
2	7-8
3	
4	8-9
5	
6	9-10
7	
8	10-11
9	
10	11 or more

AFMSS determines the Well Status Comparison Rating (Table 8) based on whether the well status reported in AFMSS is the same as the well status reported to the Office of Natural

Resources Revenue on the OGOR. If the statuses are the same, the rating will be zero; if they are different, it will be 10.

Table 8. Well Status Comparison Rating	
Rating Level	Is the well status in AFMSS the same as reported on the OGOR?
0	Yes
10	No

The Ratio of Inactive Wells Rating (Table 9 shown below) is the number of inactive wells an operator has compared to the total number of wells for that operator within a FO’s database. AFMSS will calculate the ratio by determining the number of inactive wells and dividing that number by the total number of wells for that operator.

Table 9. Ratio of Inactive Wells Rating	
Rating Level	Ratio of Inactive Wells (%)
1	
2	Less than 5
3	
4	5-10
5	
6	10-15
7	
8	15-20
9	
10	20 or more

AFMSS will combine these four rating factors to determine an overall rating factor as shown in Table 10 below. AFMSS will weight each rating factor on importance for the overall risk.

Table 10. Overall AFMSS Rating for Idle Wells	
Rating Factor	Percent
Idle Well Last Inspection	60
Time Inactive	20
Well Status Comparison	10
Ratio of Inactive Wells	10
Total	100