

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, communization 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:

- Production Rating
- Missing Oil and Gas Operations Reports (OGOR) Rating
- Compliance Rating
- Last Production Inspection (PI) Rating

AFMSS determines the Production Rating based on both oil and natural gas production from the case/operator. 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. The table below shows the rating system AFMSS uses to establish the rating level for oil and gas production.

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 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.

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 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. The table below shows the rating system AFMSS uses to establish the rating level for INCs.

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 5 years, the rating will be 10. The table below shows the rating system AFMSS uses to establish the rating level for last inspection.

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. The table below shows the weighting factors AFMSS uses to establish the overall rating factor for each case.

Rating Factor	Percent
Overall Production	25
Missing OGORs	25
Overall Compliance	25
Last 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 7 years or more). For the idle well inspections, there are four risk or rating factors:

- Last Inspection Date Rating
- Number of Years Inactive Rating
- Well Status Comparison Rating (AFMSS status vs. OGOR status)
- Ratio of Inactive Wells Rating

The table below shows the rating system AFMSS uses to establish the rating level for 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 7 years before the run date. The table below shows the rating system AFMSS uses to establish the rating level for the number of years inactive.

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 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.

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 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. The table below shows the rating system AFMSS uses to establish the rating level for the ratio of wells inactive.

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. AFMSS will weight each rating factor on importance for the overall risk. The table below shows the weighting factors AFMSS uses to establish the overall rating factor for each well.

Rating Factor	Percent
Last Inspection	60
Length of Time Inactive	20
Well Status Comparison	10
Ratio of Active to Inactive Wells By Operator By Database	10
Total	100