520.025 Well or using well; extension; annual report; grounds for granting or denying permit.

(1) A person may not drill or use a well without first obtaining a permit from the State Department of Geology and Mineral Industries and posting any bond that may be required pursuant to ORS 520.095 (1). Drilling must be completed within one year from the date the permit is issued unless an extension is granted under subsection (2) of this section. When drilling has been completed, the well must be maintained under a permit until it is properly plugged and the site is reclaimed.

(2) An unused permit may be extended by the department for a reasonable period upon receipt of a written request from the permittee before the expiration date of the permit. The request shall be accompanied by a nonrefundable fee established under ORS 520.017.

(3) A permittee maintaining or operating a well shall provide the department with an annual report on a form provided by the department. Subject to the determinations in subsection (4) of this section, a permittee shall renew the permit for a well by paying the fee established under ORS 520.017.

(4)(a) If upon receipt of the application the department determines that the method and equipment to be used by the applicant in drilling or operating the well comply with applicable laws and rules, the department shall issue the permit.

(b) The department may refuse to issue, refuse to renew or revoke a permit issued pursuant to this section if the department determines that methods or equipment to be used or being used in drilling or operating the well do not comply with applicable laws or rules, or that the well will not be operated and maintained or is not being operated or maintained in compliance with the permit and applicable laws or rules.
520.035 Waste of oil or gas prohibited. The waste of oil or gas, as defined in ORS 520.005, is prohibited.

520.095 Rules and orders; bond. The governing board of the State Department of Geology and Mineral Industries may adopt rules and issue orders, and the department may issue orders, as may be necessary in the proper administration and enforcement of this chapter, including but not limited to rules and orders for the following purposes:

   (1) To require the drilling, casing and plugging of wells to be done in such a manner as to prevent the escape of oil or gas out of one stratum to another; to prevent the intrusion of water into oil or gas strata; to prevent the pollution of fresh water supplies by oil, gas or salt water; and to require reasonable bond conditioned upon compliance with applicable laws and rules and upon the performance of the duty to plug each dry or abandoned well.

   (2) To compel the filing of logs from wells, including electrical logs, if any are taken, drilling records, typical drill cuttings or cores, if cores are taken, with the office of the State Geologist.

   (3) To prevent wells from being drilled, operated and produced in such a manner as to cause injury to neighboring leases or property.

   (4) To prevent the drowning by water of any stratum or part thereof capable of producing oil or gas in paying quantities, and to prevent the premature and irregular encroachment of water that reduces, or tends to reduce, the total ultimate recovery of oil or gas from any pool.

   (5) To require the operation of wells with efficient gas-oil ratios, and to fix ratios.

   (6) To prevent blowouts, caving and seepage in the same sense that conditions indicated by such terms are generally understood in the oil and gas business.

   (7) To prevent fires.

   (8) To identify the ownership of all oil and gas wells, producing leases, tanks, plants, structures and all storage equipment and facilities.

   (9) To regulate the stimulation and chemical treatment of wells.

   (10) To regulate secondary recovery methods, including the introduction of gas, air, water or other substance into producing formations.

   (11) To require the filing currently of information as to the volume of oil and gas, or either of them, produced and saved from the respective properties.

   (12) To require the protection of ground water.

   (13) To require the disposal of salt water and oil field waste so as not to damage land or property unnecessarily.

   (14) To require that wells drilled for oil or gas be logged adequately enough to identify the geologic formations penetrated by the wells.

   (15) To regulate the underground storage of natural gas and the drilling and operation of any wells required therefor.
(16) To require the mitigation of off-site impacts of drilling and to require reclamation for subsequent beneficial use of drill sites and adjacent areas adversely affected by drilling or use of the well and the filling of sumps.

(17) To require performance bonds or other forms of financial security for compliance with the requirements of this chapter and rules adopted or orders issued under this chapter.

(18) To regulate exploratory wells, including stratigraphic wells and seismic program test wells, subject to the limitations in ORS 520.027.

(19) To regulate geological, geophysical and seismic surveys on, and operations to remove oil, gas and sulfur from, the tidal submerged and submersible lands of this state under ORS 274.705 to 274.860.