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## WOGCC Adopts Final APD Rule

On Tuesday, November 12, 2019, the Wyoming Oil and Gas Conservation Commission ("WOGCC") adopted changes to its Application for Permit to Drill ("APD") Rule. The rule was promulgated by the WOGCC in response to a wave of over 65,000 APD filings in the past three years alone. The new rule is intended to encourage actual drilling of wells when APDs are filed and eliminate APDs filed in order to control operatorship of a drilling and spacing unit. The new rule creates sole operatorship of a drilling and spacing unit. The new rule creates sole operatorship of a drilling and spacing unit controlled by another operator if that operator fails to diligently develop the drilling and spacing unit, and establishes factors operators must prove and the WOGCC must consider in contested cases heard under the new rule. The text of the final rule can be found here.

Now that the rule has been adopted by the WOGCC, a 75-day review period begins. During the review period, the Wyoming Attorney General's Office and the Wyoming Legislature review the adopted rule and provide their feedback to the Governor. If Governor Gordon is in favor of the rule after reviewing the comments of the Legislature and Attorney General's Office, he will then certify and deliver it to the Wyoming Secretary of State's Office for filing. If the Governor disapproves of the adopted rule, he has the option to either veto it in its entirety, effectively ending the rulemaking process, or line-item veto a portion of the rule and approve the rest, following the same procedures as outlined above.

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