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DOCKET NO.

PROPOSED RULE

6
PR-30,70(43FR44547)

November 22, 1978

Mr. Samuel J. Chilk, Secretary
J.S. Nuclear Regulatory Commission
Washington, D. C. 20555
Attention: Docketing and Service Branch

Dear Mr. Chilk:

Amoco Production Company hereby submits the following comments on the U.S. Nuclear Regulatory Commission's Proposed rule (10 CFR Parts 30, 70) RULES OF GENERAL APPLICABILITY TO DOMESTIC LICENSING OF BYPRODUCT MATERIAL, "Domestic Licensing of Special Nuclear Material," which appeared in the Federal Register of September 28, 1978.

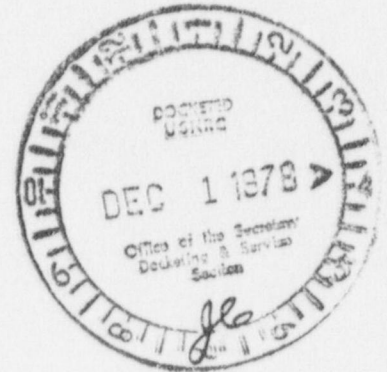
Amoco Production Company, a subsidiary of Standard Oil Company (Indiana) is one of the major companies in the United States engaged in the exploration for and production of oil, natural gas, and natural gas liquids. We are currently the operator of approximately 28,000 wholly or partially owned oil and gas wells and have an interest in nearly 35,000 others. In the course of our operations, we must engage the services of well logging companies to run radioactive well logs in hundreds of wells each year. We are therefore vitally interested in the safe handling of the sealed nuclear sources used by the licensee logging companies in the wells which we own and/or operate. This vital interest of course extends to the safe abandonment of such a tool in the event it should become irretrievably lost in a well.

Our comments which follow are presented according to the applicable paragraphs of the proposed rules in 10 CFR Parts 30 and 70.

§ 30.4(x) and § 70.4(v) Definitions

We urge that the definition of "irretrievable well-logging source" be changed to read, "any sealed source containing licensed material which is pulled off or not connected to the wireline downwell and for which all reasonable effort at recovery has been expended."

Rationale: The ultimate expertise in determination of what is a reasonable attempt at recovery lies with the combined knowledge of the licensee, the operator of the well and the fishing tool operator. These people on the scene will have the best knowledge of hole conditions, capabilities of fishing tools and likelihood of damage to the sealed source through continued fishing operations. They, too, would be best



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qualified to determine when the cost of retrieval is likely to exceed the cost of the logging tool plus the cost of proper abandonment procedures.

§ 30.56 and § 70.60 Well-logging Operations Using Sealed Sources

(a) The 30-day time limit prescribed for completion of the abandonment procedures should be changed to 60 days with provision for 30 day extensions on request.

Rationale: There may be instances where a well-logging source becomes irretrievably lost while running it through tubing. It would then be necessary to obtain a rig capable of pulling tubing, placing the cement plug and whipstock. On joint interest wells 30 days could be insufficient time to secure partners approval and obtain a suitable rig, particularly on an offshore well.

(a)(3) This paragraph should be amended to require the maintenance of the permanent identification plaque only until such time as the well is permanently abandoned and the surface restored to its original condition.

Rationale: As presently proposed, this paragraph implies an obligation to maintain such a plaque permanently. When a well is permanently abandoned, it is the practice to properly plug the wellbore in accordance with applicable state rules, cut off the casing from three to five feet below the natural ground surface, cap the casing and restore the ground to its original contour. This is a requirement of most lease agreements, particularly when a lease is terminated. It is therefore impractical and may be virtually impossible, to maintain such a plaque after the land is no longer under lease by the operator, it has been returned to agricultural or other usage, and the well operator no longer has legal rights to access to the property. On very rare occasions, abandoned wells may be re-entered; however, an operator would not attempt such re-entry without first acquainting himself thoroughly with the complete well record as filed with the appropriate state regulatory body.

(b) We believe this paragraph should be changed to read as follows: "In the event of failure, each licensee shall report this fact by telephone to the Director of the..... part 20 of this chapter, giving the pertinent information on the nature of the lost tool, fishing operations attempted, hole conditions and any other data which has contributed to the declaration by the licensee and the well operator that the tool is irretrievable."

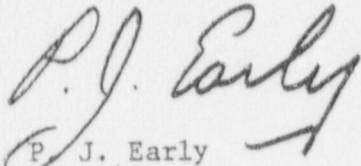
Rationale: This change is necessary to be compatible with our requested change in the definition of "irretrievable well-logging source." See rationale for § 34.4(x) and § 70.4(v) above.

(c) In the first sentence of this paragraph, change "thirty(30)days" to sixty(60) days."

Rationale: See rationale for paragraph (a) of § 30.56 and § 70.60 above.

We appreciate this opportunity to comment on this proposed rulemaking and will be happy to answer any questions you may have concerning our views. We believe the changes suggested in our foregoing comments (as opposed to those proposed) will improve the efficiency with which this and other similar companies attempt to satisfy this country's great energy requirements, with no sacrifice in safety.

Very truly yours,


P. J. Early

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