Risk-Based Inspection Strategy

In the past, the Inspection Strategy has been based on the amount of production, operator compliance, and High or Low Priority ratings. Production inspections were based on whether the average monthly production met the Federal Oil and Gas Royalty Management Act (FOGRMA) High category or if the operator had a compliance rating which made it a FOGRMA High. The remaining inspection types (drilling, abandonment, environmental, workover, etc.) were rated as either High or Low based on standards for each type of inspection. All the High rated inspections were then the required number of inspections needed to be completed. The field offices (FO) would then evaluate the number of inspection hours available to develop a plan to determine which inspections would be completed during the year. Certain types of inspections (drilling and abandonment) were estimated based on what the FO expected would occur during the year.

The risk-based strategy is based on risk factors for each type of inspection. Some of the risk factors are the same for various inspection types, such as production rating. The risk factors are based on a scale of 1 to 10, with 1 being the lowest and 10 the highest. The tables below show the scale for each of the risk factors for all of the inspection types. All of the risk factors are also weighted on importance of the risk. Using these weighting factors, all the risks for an identified type of inspection are averaged together to arrive at a final risk factor. The FOs then inspect the highest rated cases based on available inspection workmonths.

The six different types of inspections and the one activity to have risk factors are:

- Production
- Records Verification (Production Accountability reviews)
- Drilling
- Abandonment
- Workover
- Environmental
- Well Status Check

There are still two types of inspections that are always required, so no risk factors have been developed. They are:

- Undesirable events
- Alleged theft

Each of the inspection types includes different risk factors and different units of accomplishment. Each inspection type and the one activity included in the risk factors are as follows:

Production Inspections
Production inspections are based on a case/operator basis. Each lease, communization agreement, or unit participating area is a case. In the attached spreadsheet for production

inspections, each case/operator will be compiled by each FO. They will then be sent to the state office (SO) for consolidation. The SO will include any required inspections and the reason the inspection was conducted, and then will send the combined spreadsheet for the state to the Washington Office (WO). The WO will review and identify any required inspections and include reasons for inspections.

For the production inspections there are seven risk or rating factors:

Generated by the Automated Fluid Minerals Support System (AFMSS):

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

Derived from the Office of Natural Resources Revenue (ONRR) risk model:

- OGOR Reporting Error Rating
- Production Variance Rating
- ONRR Audit Findings Rating

The ONRR will submit ratings of 1 to 10 for each of these three ratings to the WO.
The WO will incorporate the three ONRR provided ratings with the four ratings generated by AFMSS to determine the overall risk factor for the case/operator prior to the ratings/risks being sent to the field offices.

The Production Rating is based upon both oil and natural gas production from the case/operator. Preliminary ratings are given a 1 to 10 rating for both oil and natural gas production. The table below shows the rating system.

Rating level	Average Monthly Oil Production (Bbls)*	Average Monthly Natural Gas Production (MCF)*
0	0	0
1	1-100	1-1,000
2	101-500	1,001-5,000
3	501-1,000	5,001-10,000
4	1,001-2,000	10,001-20,000
5	2,001-3,000	20,001-30,000
6	3,001-4,000	30,001-40,000
7	4,001-5,000	40,001-60,000
8	5,001-6,000	60,001-80,000
9	6,001-9,000	80,001-100,000
10	>9,000	>100,000

*Barrels = Bbls, Thousand Cubic Feet (MCF)

These two ratings are added together to give the case/operator an overall rating for production. If the combined rating is higher than 10, the rating will be shown as 10.

The Missing OGORs Rating is based on the number of OGORs that are missing in AFMSS. Without these OGOR reports, the average production could be entered as zero, even when is production on the case/operator. To account for this risk, the table below shows the factors for missing OGORs. Use the number of missing OGORs found during the 12-month period of production to calculate average production to determine this risk factor. This risk factor should raise the priority of any case/operator not reporting production monthly to ONRR.

Rating level	Number of Missing OGORs for Last 12 months
0	0
1	1
2	
3	2
4	
5	3
6	
7	4
8	
9	5
10	6 or greater

The Compliance Rating is based on the number of Incidents of Noncompliance (INC) issued during a production inspection during the last 2 years. The Compliance Rating is also broken into two parts: the number of INCs which are rated minor and the number of INCs which are rated major. The number of INCs is based on the INCs issued during the last 24 months and entered into AFMSS. The table below shows the rating system used to establish the rating level for INCs.

Rating level	Number Minor INCs Issued Last 24 Months	Number Major INCs Issued Last 24 Months
1	0-3	0
2	4-5	
3	6-7	
4	8	
5	9	1
6	10	
7	11	
8	12	
9	13	
10	14 or greater	2 or greater

These two ratings are combined to give the case/operator an overall rating of between 1 and 10 for compliance.

The Last PI Inspection Rating will give a higher rating to those case/operators that have not been inspected recently. If AFMSS does not have an inspection date or the last inspection date is greater than 10 years, the rating will be 10. The table below shows the rating system used to establish the rating level for last inspection.

Rating level	Number of Years Since Last Inspection
1	0-1
2	1-2
3	2-3
4	3-4
5	4-5
6	5-6
7	6-7
8	7-8
9	8-9
10	10 or greater

The four rating factors and the three provided by the ONRR will then be combined to determine an overall rating factor. Each rating factor will be weighted on importance to determine the overall risk. The weighting factors for each factor are shown below.

Rating Factor	Percent
Production Rating	20%
Missing OGORs Rating	20%
Compliance Rating	20%
Last Inspected Rating	25%
OGOR Reporting Error Rating	5%
Production Variance Rating	5%
ONRR Audit Findings Rating	5%
Total	100%

Records Verification (Production Accountability Reviews)

Production Accountability reviews are based on a case/operator basis. Each lease, communization agreement, or unit participating area is a case. In the attached spreadsheet for production accountability reviews, each case/operator will be compiled by each FO. The spreadsheets will then be sent to the state office for consolidation. The SO will include any required inspections and the reason why the inspection was conducted and then send the combined spreadsheet for the state to the WO. The WO will review and identify any required inspections and include reasons for inspections.

For the production accountability reviews there are seven risk or rating factors:

Generated by AFMSS:

- Production Rating
- Missing OGORs Rating
- Recovery Rating
- Beneficial Use Rating
- Last Reviewed Rating (Production Accountability Review)

Derived from the ONRR risk model:

- OGOR Reporting Error Rating
- Production Variance Rating

The ONRR will submit ratings of 1 to 10 for the two ratings to the WO. The WO will incorporate the two ONRR-provided ratings with the five ratings generated by AFMSS to determine the overall risk factor for the case/operator prior to the ratings/risks being sent to the FOs.

The Production Rating is based upon both oil and natural gas production from the case/operator. Preliminary ratings are given a 1 to 10 rating for both the oil and natural gas production. The table below shows the rating system.

Rating level	Average Monthly Oil Production (Bbls)	Average Monthly Natural Gas Production (MCF)
0	0	0
1	1-100	1-1,000
2	101-500	1,001-5,000
3	501-1,000	5,001-10,000
4	1,001-2,000	10,001-20,000
5	2,001-3,000	20,001-30,000
6	3,001-4,000	30,001-40,000
7	4,001-5,000	40,001-60,000
8	5,001-6,000	60,001-80,000
9	6,001-9,000	80,001-100,000
10	>9,000	>100,000

These two ratings are added together to give the case/operator an overall rating for production. If the combined rating is higher than 10 the rating will be shown as 10.

The Missing OGORs Rating is based on the number of OGORs that are missing in AFMSS. Without these OGOR reports, the average production could be entered as zero, even when there is production on the case/operator. To account for this risk, the table below shows the factors for missing OGORs. Use the number of missing OGORs found during the 12-month period of production to calculate average production to determine this risk factor. This risk

factor should raise the priority of any case/operator not reporting production monthly to the ONRR.

Rating level	Number of Missing OGORs for Last 12 months
0	0
1	1
2	
3	2
4	
5	3
6	
7	4
8	
9	5
10	6 or greater

The Recovery Rating is the amount of oil or natural gas that has been found under reported on the case/operator for the last 5 years. The table below shows the ratings given for both oil and natural gas. A rating is given to both oil and to natural gas.

Rating level	Oil Production (Bbls) Recovered	Natural Gas Production (MCF) Recovered
0	0	0
1	1-100	1-1,000
2	101-500	1,001-5,000
3	501-1,000	5,001-10,000
4	1,001-1,500	10,001-15,000
5	1,501-2,000	15,001-20,000
6	2,001-2,500	20,001-25,000
7	2,501-3,000	25,001-30,000
8	3,001-3,500	30,001-35,000
9	3,501-4,000	35,001-40,000
10	>4,000	>40,000

These two ratings are added together to give the case/operator an overall rating for recovery rating. If the combined rating is higher than 10 the rating will be shown as 10.

The Beneficial Use Rating is a rating based on whether a request for beneficial use has been requested and, if so, if it was approved or rejected. In the cases where no request for beneficial use has been made or if beneficial use has been approved, the table below shows the rating. The rating is based on the percent of natural gas being used on-site compared to the total amounted produced on the case/operator. The data for these percentages will be obtained from the OGOR data received from the ONRR that is in AFMSS. If beneficial use has been rejected for the case/operator, the rating will be shown as 10.

Rating level	Percent of Natural Gas Used on Site (Beneficial Use)
1	<10%
2	11%-20%
3	21%-30%
4	31%-40%
5	41%-50%
6	51%-60%
7	61%-70%
8	71%-80%
9	81%-90%
10	91% or greater

The Last Reviewed Rating will give a higher rating to those cases/operators that have not been reviewed recently. If AFMSS does not have a review date or the last review date is greater than 10 years, the rating will be 10. The table below shows the rating system used to establish the rating level for last review date rating.

Rating level	Number of Years Since Last Review
1	0-1
2	1-2
3	2-3
4	3-4
5	4-5
6	5-6
7	6-7
8	7-8
9	8-9
10	10 or greater

These five AFMSS-generated rating factors and the two provided by the ONRR will then be combined to determine an overall rating factor. Each rating factor will be weighted on importance for the overall risk. The weighting factors for each factor are shown below.

Rating Factor	Percent
Production Rating	20%
Missing OGORs Rating	20%
Recovery Rating	10%
Beneficial Use Approved/Rejected	20%
Last Reviewed Rating	20%
OGOR Reporting Error Rating	5%
Production Variance Rating	5%
Total	100%

Drilling Inspections

Drilling Inspections under the risk-based strategy will be conducted differently than in the past. Previously, a High or Low rating was given to the Application for Permit to Drill (APD) at the time of approval to address the need to do a drilling inspection. It has been the policy to inspect all high-rated drilling operations and as many other drilling operations as possible due to the one-time nature of the drilling operations. Under the risk-based system, the field offices will decide if an inspection is necessary when the field offices receive notice that a well has been spud. Based on the risk factors for the drilling rig and priority given at the time of APD approval, determination of the need for an inspection will be made. This risk-based plan will not preclude a field office from continuing to inspect all drilling operations deemed necessary. As stated in Inspection Strategies, in the past, if a rig has a very low risk, it may only need to be inspected every other well drilled or once every three wells drilled. This needs to be decided by each field office based on the inspection staff available. To identify which drilling rigs are at greatest risk, the following two risk factors will be used to prioritize drill rigs:

- Rig Rating
- Rig Contractor Rating

The Rig Rating is based on drilling INCs issued to operators of the wells being drilled by the rig. The AFMSS will be amended to link the rig to these types of INCs. The Rig Rating will then be broken into two parts: the number of INCs which are rated minor and the number of INCs which are rated major. The number of INCs will be based the INCs linked to the rig during the last 24 months. The table below shows the rating system used to establish the rating level for INCs.

Rating level	Number Minor INCs Issued Last 24 Months	Number Major INCs Issued Last 24 Months
0	0	0
1	1	
2		
3	2	
4		
5	3	1
6		
7	4	
8		
9	5	
10	5 or greater	2 or greater

These two ratings are added together to give the case/operator an overall rating for the rig. If the combined rating is higher than 10 the rating will be shown as 10.

The Rig Contractor Rating is based on drilling INCs issued to operators of the wells being drilled by rigs owned by the contractor. The AFMSS will be amended to link the rig

contractor to these types of INCs. The Rig Contractor Rating is broken into two parts: the number of INCs which are rated minor and the number of INCs which are rated major. The number of INCs is based on the INCs issued in the last 24 months on operations where the rig contractor has been involved and entered into AFMSS. The table below shows the rating system used to establish the rating level for INCs.

Rating level	Number Minor INCs Issued Last 24 Months	Number Major INCs Issued Last 24 Months
1	1	
2	2	
3	3	
4	4	
5	5	1
6	6	
7	7	
8	8	
9	9	
10	10 or greater	2 or greater

These two ratings are added together to give the case/operator an overall rating for the rig contractor. If the combined rating is higher than 10 the rating will be shown as 10.

These two rating factors will then be combined to determine an overall rating factor. Each rating factor will be weighted on importance for the overall risk. The weighting factors for each factor are shown below.

Rating Factor	Percent
Rig Rating	40%
Rig Contractor Rating	60%
Total	100%

Along with the risk factors above, the FO will review the priority given when the APD is approved for drilling. If a High priority is given to the APD for environmental reasons, safety reasons, or downhole reasons, a drilling inspection may be required even if the risk factors associated with the drilling rig are low. The FOs should also continue to conduct random inspections of drilling operations to ensure that all requirements, stipulations, and conditions of approval are being followed. All drilling rigs should be inspected at least once for every three or four wells drilled. Based on information from other FOs, the SO or WO could require that drilling inspections be done on all wells drilled by certain drilling contractors.

In cases where it is the first time the rig is drilling in a FO jurisdiction, the rig will be inspected.

The drilling risk-based system will not be fully implemented until AFMSS has been amended to track INCs on drilling rigs and drilling contractors.

Abandonment Inspections
Abandonment inspections have been required to be witnessed in the past. This new policy will not change the requirement to witness plugging operations but allows the authorized officer the option of witnessing the setting of certain cement plugs and not all plugs depending on the rating outlined below. In certain cases, the required inspection during abandonment may not be necessary. These cases will be rare.

As in the past, the FOs will estimate the number of wells to be abandoned during the year and the number of inspections. Under the risk-based system, the FO will determine the level of detail required for the abandonment of the well when they are notified a well is being abandoned. To identify which abandonment operations are at greatest risk, the following three risk factors will be used:

- Rig Rating
- Rig Contractor Rating
- Cement Contractor Compliance Rating

The Rig Rating is based on drilling and abandonment INCs issued to operators of the wells being drilled or abandoned by the rig. The AFMSS will be amended to link the rig to these types of INCs. The Rig Rating is broken into two parts: the number of INCs which are rated minor and the number of INCs which are rated major. The number of INCs is based on the INCs issued in the last 24 months on the rig and entered into AFMSS. The table below shows the rating system used to establish the rating level for INCs.

Rating level	Number Minor INCs Issued Last 24 Months	Number Major INCs Issued Last 24 Months
0	0	0
1	1	
2		
3	2	
4		
5	3	1
6		
7	4	
8		
9	5	
10	5 or greater	2 or greater

These two ratings are added together to give the case/operator an overall rating for the rig. If the combined rating is higher than 10 the rating will be shown as 10.

The Rig Contractor rating is based on drilling and abandonment INCs issued to operators of the wells being drilled or abandoned by rigs owned by the contractor. The AFMSS will be amended to link the rig contractor to these types of INCs. Rig Contractor Rating is broken

into two parts: the number of INCs which are rated minor and the number of INCs which are rated major. The number of INCs is based on the INCs issued in the last 24 months on operations where the rig contractor has been involved and entered into AFMSS. The table below shows the rating system used to establish the rating level for INCs.

Rating level	Number Minor INCs Issued Last 24 Months	Number Major INCs Issued Last 24 Months
0	0	0
1	1	
2	2	
3	3	
4	4	
5	5	1
6	6	
7	7	
8	8	
9	9	
10	10 or greater	2 or greater

These two ratings are added together to give the case/operator an overall rating for the rig contractor. If the combined rating is higher than 10 the rating will be shown as 10.

The Cement Contractor Compliance Rating is based on abandonment INCs issued to operators of the wells being abandoned by the contractor. The AFMSS will be amended to link the cement contractor to these types of INCs. The Cement Contractor Compliance Rating is broken into two parts: the number of INCs which are rated minor and the number of INCs which are rated major. The number of INCs is based on the INCs issued in the last 24 months on operations where the cement contractor has been involved and entered into AFMSS. The table below shows the rating system used to establish the rating level for INCs.

Rating level	Number Minor INCs Issued Last 24 Months	Number Major INCs Issued Last 24 Months
0	0	0
1	1	
2		
3	2	
4		
5	3	1
6		
7	4	
8		
9	5	
10	5 or greater	2 or greater

These two ratings are added together to give the case/operator an overall rating for the cement contractor. If the combined rating is higher than 10 the rating will be shown as 10.

These three rating factors will then be combined to determine an overall rating factor. Each rating factor will be weighted on importance for the overall rating. The weighting factors for each factor are shown below.

Rating Factor	Percent
Rig Rating	30%
Rig Contractor Rating	30%
Cement Contractor Compliance Rating	40%
Total	100%

Most, if not all, abandonment operations are to be inspected. The detail of these inspections can be determined by the FO based on the risk factors above. However, based on well factors such as health and safety, surface water protection, and other mineral protection, abandonment inspections could be more detailed than required by the risk factors. These factors are to be used for the plugging of a well and do not pertain to surface reclamation. For surface reclamation, inspections are covered under environmental inspections.

The abandonment risk-based system will not be fully implemented until AFMSS has been amended to track INCs on rigs, rig contractors and cement contractors.

Workover Inspections

Workover inspections have only been done in cases where, through the approval of a sundry notice, the case has been identified as a High priority inspection. Under the risk-based system, workover inspections will be done based on three risk factors.

- Type of Workover Rating
- Routine/Non-routine Rating
- Surface Disturbance Rating

The strategy will estimate the number of wells that will have workovers done during the year and the estimated number of workover inspections that will be required during the year. The risk factors will be used to determine if an inspection will be required. The FOs will determine when an inspection is necessary when a Sundry Notice is approved or when the office is notified a workover is being performed.

The Type of Workover Rating will be based on the type of Sundry Notice being approved. All subsequent reports will be given a lower rating as the work has already been performed. There are 50 different types of Sundry Notices. The Sundry Notices for plug and abandonment are handled in the abandonment inspections section of the strategy and well spuds are handled in the drilling inspection part of the strategy. The other Sundry Notices for which we receive a notice of intent have been ranked in the table below.

Rating level	Workover Type
0	API Unit, Communitization Agreement, Comp Royalty

	Agreement, Secondary Recovery Unit, Unit Agreement, Unit Plan of Development
1	Drilling Operations, Return to Production, Subsurface Commingling, Successor Operator, Waiting on Pipeline, Water Well Assumption
2	Other Sundry Notice, Production Start-up
3	Change to original APD, Plug Back, Recompletion, Shut-in Notice
4	Site Facility Diagram/Security Plan
5	Surface Commingling
6	Casing Alteration, Casing Repair, Suspension of Operations and/or Production, Water Disposal
7	Bioremediation of Pit/Surface, Emergency Pits or Closure, Temporary Abandonment, Water Shut-off, Workover Operations
8	Acidize, Conversion to Injection/Disposal
9	Deepen, Production Facility Changes, Fracture Treatment, Venting and/or Flaring, Well Test
10	Corrective Action for Undesirable Events

The Routine/Non-routine Rating is based upon whether or not the workover operation would be considered routine or non-routine. Routine operations would include, but are not limited to, replacement/repair of downhole equipment (pumps, tubing, rods, hangers, packers, etc.), fishing, clean out (de-scaling, removing fill, etc.), and swabbing not related to well testing. Based on local standard operating practices, other types of workover operations may be considered routine with written justification from the FO. Non-routine operations include all workover operations not identified as routine.

Rating level	Routine/Non-routine
1	Routine
2	
3	
4	
5	
6	
7	
8	
9	
10	Non-routine

The Surface Disturbance Rating is based upon whether or not the workover operation required any surface disturbance.

Rating level	Surface Disturbance
1	No
2	
3	
4	
5	
6	
7	
8	
9	
10	Yes

These three rating factors will then be combined to come up with an overall rating factor. Each rating factor will be weighted on importance for the overall risk. The weighting factors for each factor are shown below.

Rating Factor	Percent
Type of Workover Rating	80%
Routine/Non-routine Rating	10%
Surface Disturbance Rating	10%
Total	100%

Environmental Inspections

Routine surface inspections will be conducted by the surface management specialist, typically a Natural Resource Specialist or Environmental Protection Specialist, to ensure protection of the surface and subsurface environment. When a Petroleum Engineering Technician (PET) conducts a drilling, production, or abandonment inspection, an environmental activity must also be conducted and will include identification of environmental concerns such as spills and trash problems, improperly used and fenced pits, and inadequate tank battery dikes. However, existing or potential environmental problems noted by the PET will be brought to the attention of the surface management specialist. An environmental inspection type is required for all wells rated as High for environment and for interim and final reclamation, as indicated below.

Environmental Inspection Workload – Priority Order

1. High Priority drilling wells (based on Environmental Inspections Risk factors below)
2. High Priority operations inspections (based on Environmental Inspections Risk factors below)
3. Interim Reclamation inspections (all new wells or where interim reclamation inspections have not been completed previously)

4. High Priority workover operations (based on Environmental Inspections Risk factors below)
5. Final Reclamation inspections (NIA, SRA, & FAN) (Pre- and Post-Dirtwork and Final Revegetation)

An environmental inspection is conducted to ensure compliance with the surface use plan, subsequent approvals, conditions of approval (COA), lease stipulations, adequate interim reclamation, successful final reclamation, or to inspect operations that have been rated High for environment.

Environmental inspections are based on the well/facility and not the case/operator as with production inspections. Under the risk-based system, environmental inspections will be identified based on four risk factors.

- Environmental Sensitivity Rating
- Last Inspection Rating
- Well Compliance History Rating
- Operator Compliance History Rating

An Environmental Sensitivity Rating is assigned to the well at the time the APD is approved. It is based on the overall sensitivity of the location. This will be somewhat subjective and the relative rating of environmental sensitivities can vary from field office to field office. The FOs should also take into consideration whether the environmental sensitivities are located within Special Management Areas including designated wilderness, Wilderness Study Areas, Areas of Critical Environmental Concern, and National Historic Trails.

Rating level	Environmental Sensitivity Rating
1	Historic Trails
2	Wildlife and Plant Habitat
3	Sensitive Watersheds
4	Shallow Groundwater
5	Riparian Areas
6	Wetlands/Floodplains
7	Steep Slopes
8	Fragile Soils
9	Perennial Water
10	Occupied Buildings

The Last Inspection Rating will give a higher rating to those wells that have not been inspected recently. If AFMSS does not have an inspection date or the last inspection date is greater than 10 years, the rating will be 10. The table below shows the rating system used to establish the rating level for Last Inspection Rating.

Rating level	Number of Years Since Last Review
1	0-1
2	1-2
3	2-3
4	3-4
5	4-5
6	5-6
7	6-7
8	7-8
9	8-9
10	10 or greater

The Well Compliance History Rating is broken into the number of environmental INCs rated minor and the environmental INCs rated major. The number of environmental INCs is based on the INCs issued in the last 24 months and entered into AFMSS. The table below shows the rating system used to establish the rating level for environmental INCs.

Rating level	Number Minor INCs Issued Last 24 Months	Number Major INCs Issued Last 24 Months
0	0	0
1	1	
2		
3	2	
4		
5	3	1
6		
7	4	
8		
9	5	
10	5 or greater	2 or greater

These two ratings are combined to give the well an overall rating of between 1 and 10 for compliance.

The Operator Compliance History Rating is broken into the number environmental INCs rated minor and the environmental INCs rated major. The number of environmental INCs is based on the INCs issued to the operator in the last 24 months and entered into AFMSS. The table below shows the rating system used to establish the rating level for environmental INCs.

Rating level	Number Minor INCs Issued Last 24 Months	Number Major INCs Issued Last 24 Months
0	0	0
1	1	
2	2	
3	3	
4	4	
5	5	1
6	6	
7	7	
8	8	
9	9	
10	10 or greater	2 or greater

These two ratings are combined to give the operator an overall rating between 1 and 10 for compliance.

These three rating factors will then be combined to come up with an overall rating factor. Each rating factor will be weighted on importance for the overall risk. The weighting factors for each factor are shown below.

Rating Factor	Percent
Environmental Sensitivity Rating	30%
Last Inspection Rating	25%
Well Compliance History Rating	20%
Operator Compliance History Rating	25%
Total	100%

Well Status Inspections

Well Status inspections of inactive wells will now be required in the Inspection Strategy. The Strategy will require that each office establish the planned number of well status inspections. To identify the wells to be inspected, the following four risk factors will be used.

- Last Inspection Rating
- Time Inactive Rating
- Well Status Compared to ONRR Rating
- Number of Wells Inactive (Operator) Rating

The Last Inspection Rating will give a higher rating to those idle wells that have not had a Well Status Check (WS) activity completed recently. If AFMSS does not have a WS activity code date or the last WS activity code date is greater than 10 years, the rating will be 10. The

table below shows the rating system used to establish the rating level for Last Inspection Rating.

Rating level	Number of Years Since Last Review
1	0-1
2	1-2
3	2-3
4	3-4
5	4-5
6	5-6
7	6-7
8	7-8
9	8-9
10	10 or greater

The Time Inactive Rating will be based on the number of years the well has been reported on OGOR as inactive. An inactive well status would include but not be limited to OSI, GSI, TA, DSI, WIWSI, and WSWSI codes. The table below shows the rating factor to be used.

Rating level	Number of Years Inactive
1	0-1
2	1-2
3	2-3
4	3-4
5	4-5
6	5-6
7	6-7
8	7-8
9	8-9
10	10 or greater

The Well Status Compared to ONRR Rating is based on whether the well status reported in AFMSS is the same as the well status reported on the ONRR Oil and Gas Operator's Report (OGOR). If the statuses are the same the rating will be 1, if they are different it will be 10.

Rating level	AFMSS and ONRR Same
1	yes
2	
3	
4	
5	
6	
7	
8	
9	
10	no

The Number of Wells Inactive (Operator) Rating will be the total number of inactive wells that an operator has in a FO. An inactive well status would include but not be limited to OSI, GSI, TA, DSI, WIWSI, and WSWSI codes. The table below shows the rating factor to be used.

Rating level	Number of Wells Inactive
1	0-2
2	3-4
3	5-6
4	7-8
5	9-10
6	11-14
7	15-18
8	19-22
9	23-25
10	26 or greater

These four rating factors will then be combined to come up with an overall rating factor. Each rating factor will be weighted on importance for the overall risk. The weighting factors for each factor are shown below.

Rating Factor	Percent
Last Inspection Rating	40%
Time Inactive Rating	30%
Well Status compared to ONRR Rating	10%
Number of Wells Inactive (Operator) Rating	20%
Total	100%