

PLEASE NOTE THAT ALL USES OF THE WORD OPERATOR IN THIS DOCUMENT REFER TO THE ACT 13 DEFINITION OF “WELL OPERATOR” AND THUS, REFERENCE THE PERMIT HOLDER (PERMITEE) FOR THE WELL. ANY ENFORCEMENT ACTIONS UNDER 25 PA. CODE SECTION 78.88 WILL BE PURSUED AGAINST THE WELL OPERATOR.

1. What wells are regulated under the MIA Program? Must they be drilled, stimulated, and completed? Must they be in production?

The MIA Program applies to all operating wells in Pennsylvania. Operating wells include active wells and abandoned wells that have not been plugged. Exemptions apply to gas storage field wells, wells granted inactive status, and any wells regulated under the EPA’s Underground Injection Control (UIC) Program, as these wells must comply with other regulations addressing mechanical integrity. An active operating well is any well that has been drilled to the total measured depth and is not plugged and abandoned.

2. When will Form C be available?

It will be possible to download the final version of Form C through the Department’s GreenPort website beginning on January 1, 2015. Operators or designees may currently begin summarizing well integrity data using the draft version of Form C, as this will make it possible to efficiently transfer information to the final version of the form. Operators or designees should contact the Oil and Gas Program/Subsurface Activities Section (717.772.2199) to obtain a draft copy of Form C.

3. What are the current requirements to become an Electronic Filing Administrator (EFA) with access to the GreenPort website and who will be allowed to submit well integrity data to the Department?

The Department’s Bureau of Information Technology will provide well integrity access to the users who have a role in OGRE for production/waste reporting. The EFA for the company can then provide additional access to people if they want other staff/consultants to submit their integrity forms. This functionality is currently available on the Department’s website. Each user must have their own GreenPort account. The only time a new registration will be required is if an operator is not currently registered in GreenPort. In this case, they will need to self-register in OGRE and submit paperwork to become an EFA.

4. After a well has been drilled to the total measured depth, when must the operator or designee conduct the first inspection? What about wells that are drilled to the total measured depth near the end of the quarter – must they still be inspected during that quarter?

The first inspection must be performed during the first full quarter after the well has been drilled to the total measured depth. In the example above, the well must first be inspected in the next quarter.

5. If a well is plugged during a quarter, must the operator or designee still provide inspection data for the quarter during which the well was plugged?

Inspection results are not required during the quarter in which an operating well is plugged and abandoned in accordance with Chapter 78. The plugging certificate verifies completion of this work and must be on file with the Department. Please note that inspection results are still required for the quarters preceding plugging. The last quarter of inspection data prior to plugging should be reported to the Department for conventional well sites.

6. The operator and owner of operating wells are not always the same party. Who does the Department hold accountable for reporting the MIA data?

The permittee (permit holder or well operator as defined in Act 13) on December 31<sup>st</sup> at midnight of the INSPECTION YEAR is ultimately responsible for reporting all required MIA data by February 15<sup>th</sup> of the REPORTING YEAR.

7. Can an operator or designee report part of their well inventory on Form A or Form B and the rest of their well inventory on Form C?

You may use either Form A, Form B, or Form C; but you MAY NOT use combinations of these forms.

8. Can an operator or designee submit more than one data summary sheet?

For all forms, including Forms A, B and C; an operator or designee may only submit one data summary sheet. The reporting website has been designed to accept one submission per OGO number, and any additional submissions will be considered comprehensive and overwrite prior submissions.

Form C FAQ (Issued 12/12/2014)

9. Can the available inspection abbreviations for Form C, e.g., NRM for “not readily measurable,” be used on Forms A and B?

No, but it is possible to transition from Forms A or B to Form C. A guidance document detailing that process is now available on the MIA webpage. Additionally, operators or designees who submit information on Form A or B in 2015 may switch to Form C in 2016 and it will be pre-populated with their 2014 inspection results.

10. If an operator or designee has been using Form A or B to archive inspection data, but would like to report their inspections to the Department using Form C; how can this be accomplished?

There is now a guidance document available on the MIA website detailing this procedure.

11. How should wells without API numbers be handled?

All wells requiring inspections under the MIA Program have assigned API numbers. If the well does not have an API number, please contact the district office in which the well is located.

12. How should wells that are not on the pre-populated Form C list be handled?

If a new potential operator is identified as part of a business transaction, but the Department has not approved the permit transfer application, the wells designated for transfer will not appear on Form C but may still be added to the annual report. This will result in a “warning” message during the validation check, but it will not invalidate the submission. In this scenario, the pending permittee (new potential operator) should note in the Text comment field the date of the business transaction and follow the procedures related to well transfers/status changes.

13. How should wells that are on the pre-populated Form C list but are no longer assigned to the operator be handled?

The individual entering the data should address this by selecting “This is not our well” from the dropdown box in the No-inspection comment field. Both operators involved in the permit transfer should also follow the procedures related to well transfers/status changes.

14. What does the Department mean when it states that retrofitting wells will not be required to achieve compliance?

Many wells do not have access to certain annular spaces at the surface – these casing strings may be under gravel in well cellars or below grade in wells that are not designed with cellars. In addition, production casing annular spaces or primary/annular production casing may not be equipped with gauges and manometers for measuring pressure and flow, respectively. The Department is not requiring casing strings below grade to be dug out or that wells be equipped with gauges and manometers to complete inspections under the MIA Program. For wells where certain parameters cannot be measured based on the existing surface configuration, only those components of the inspection that can be completed must be completed. All wells where drilling commenced after February 5, 2011 must be capable of complying with the minimum inspection components required under Section 78.88.

15. Clarify where the “Surface Wellhead Equipment” MIA inspection stops?

Wellhead Equipment is defined as "the last valve on the wellhead going to production equipment". Inspections beyond of this valve are not required. The only exception that applies is when an annulus is plumbed to a tank – in this case the tank vent should be inspected for escaping methane to confirm whether or not there is an annular gas flow.

16. What will happen to operators who do not send in MIA data reports on February 15, 2015?

The Department will take appropriate enforcement actions to attain compliance with this regulatory requirement.

17. What will happen to an operator who has not sent in production reports in the past, but now complies with the MIA inspection reporting?

Production reporting is a separate regulatory obligation. Failure to report production will be addressed according to the Department’s compliance policies.

18. What are the requirements for operators of injection wells that have not been used recently?

Unused injection wells that are legally considered abandoned either need to be plugged or the operator should present a credible plan to Department showing how they will be put back into use in a reasonable time period. In certain cases, applying for inactive status may also be appropriate. Wells regulated under the EPA’s Underground Injection Control (UIC) Program,

including all injection wells authorized under that program, must comply with regulations set forth by EPA to address mechanical integrity. If the well is not under the jurisdiction of the EPA regulations and is permitted or registered, it should be inspected and reported as an operating well. This applies for any permitted or registered abandoned well that has not yet been plugged and abandoned.

19. What about operators who have old wells that have not produced for years? How are these wells required to be reported?

All production (gas, oil, combination, and coalbed methane) wells that have not been plugged and abandoned must comply with the MIA reporting requirements. If a well appears on the active status list, it should be inspected per the MIA process regardless of whether it is no longer in production. These wells either need to be plugged or the operator should present a credible plan to Department showing how they will be put back into use in a reasonable time period. All abandoned wells that have not yet been plugged still require quarterly integrity inspections.

20. If access to a well is limited or not possible (including ongoing construction of wells on a pad, landowner and operator disputes, weather, etc.), how should the operator address the quarterly inspection requirement?

The operator should address this by selecting "Status validation underway" from the dropdown box in the No-inspection comment field and explain why no inspection was performed in the Text comment field. The Department reserves the right to pursue enforcement action for any well that is not inspected and will do so depending on the circumstances that prevented inspection.

21. When Form C is downloaded, will the wells listed in an operator's pre-populated well inventory be arranged in the same order as they were submitted during production reporting?

Operator's pre-populated well inventory will be not be listed in the same order they were submitted during production reporting. However, the operator may sort and arrange their pre-populated well list as they desire once it is downloaded from the GreenPort website. The Department can assist with this and has also issued a guidance document addressing how this can be accomplished.

22. How should wells equipped with two “tubing” strings be handled? For example, some older gas wells have 4-3/4” surface casing installed to around 1,000 feet, 3” tubing installed to around 1,600 feet on a packer, and 2” tubing installed to around 2,000 feet, which may or may not be set on a packer.

The MIA Program does not contemplate tubing pressures. For this particular design, however, two possible outcomes apply. If the 2” tubing is free hanging, the 3” tubing would actually be considered production casing and the primary production gas pressure under cell/box should be measured inside of the 3” tubing and outside of the 2” tubing. If the produced zone is isolated with a packer on the 2” tubing, the 2” tubing would actually be considered a production casing string and the production pressure for this tubing would be entered in the primary production gas pressure cell/box.

23. What if a well has some artesian flow of freshwater outside the casing, especially if the well has no cement on the backside of that casing, i.e. pre-Act wells?

The Comment text field should be used to document such special cases associated with older, pre-Act wells to clarify to the Department that the well has traditionally been characterized by somewhat unique conditions throughout its production history.

24. In the PowerPoint training module, well examples are classified as Oil, Gas or Combo. How should the operator or designee use this information when they inspect a well?

The operator or designee should always inspect the well as it is currently being operated, even if it was permitted differently. Once the current operating classification is established, the operator or designee should use the information provided in the training module to inform their inspection process.

25. Can historic well operators use Form C?

Yes, all operating wells and abandoned wells that have not yet been plugged are regulated under Section 78.88 and either Form A, B or C may be used to archive and report inspection data.

26. If errors are noted during the submittal of Form C, is there a timeline for resubmittal?

Complete and accurate reports are required by the reporting deadline. Corrected copies submitted prior to the reporting deadline do not constitute violations. The reporting period remains open indefinitely and corrected reports will simply overwrite the results from previous submissions. For corrected copies submitted after the reporting deadline, the Department reserves the right to take enforcement action anytime compliance is not achieved and will do so if the circumstances warrant.

27. Can an operator designate GreenPort log-in credentials for consultants so they are an authorized user?

Yes.

28. Does the password for GreenPort change if an operator designates a consultant as an authorized user?

All authorized users have their own GreenPort passwords.

29. What is considered a spill or release of brine or oil (liquids)?

According to 25 Pa.Code Sections 91.33(a) and 78.66(a), a spill or release causing or threatening pollution of the waters of this Commonwealth must be reported to the Department. Pursuant to 25 Pa.Code Section 78.66(b), if a reportable release of brine on or into the ground occurs at the well site, the responsible party must notify the Department. 25 Pa.Code Section 78.1 defines "reportable release of brine" as the spilling, leaking, emitting, discharging, escaping or disposing of either:

- 1) More than 5 gallons of brine within a 24-hour period on or into the ground at the well site where the total dissolved solids (TDS) concentration of the brine is equal or greater than 10,000 mg/L, or
- 2) More than 15 gallons of brine within a 24-hour period on or into the ground at the well site where the TDS concentration of the brine is less than 10,000 mg/L.

Reporting requirements and clean-up procedures are detailed in the spill policy. Non-reportable spills or releases should still be addressed without delay, as this lessens the chance for legal disputes with the agency. Accumulations of paraffin around the stuffing box, polished rod, and other equipment do not constitute spills or releases.

30. In a coalbed methane/gob wells, how are casings/annular spaces classified?

If such wells only have a single string, this casing is considered a surface/coal string. Further details are provided in the guidance available on the Department's MIA webpage.

31. Is it a combination well if you only produce a small amount of oil with gas?

The Department only considers the well a combination well if you sell the oil. If you pump it off and give it to a brine hauler and he separates and sells it; this is not a combination well.

32. If a well usually does not produce brine or only produces a very small amount of brine that is not pumped off every quarter, and the operator or designee reports no liquids as a result of these conditions, will this be considered a reporting violation? What if the operator or designee reports a very small amount of brine in subsequent years when the well is pumped off? Is there an issue if the reporting information changes, or are there any situations where the produced brine should be averaged based on tank levels?

Normal operating conditions should be captured during integrity inspections. If the well is only pumped off once every several years, the volume pumped off should be reported during the quarter in which that occurred and averaged over the timeframe since the well was last pumped off. During intervening quarters when the well is not pumped off, it is acceptable to enter NPW (no produced water). Tank levels may also be referenced to determine, on average, how much brine is being produced at the well. If well brine is removed in an intermittent matter, it is important to note that in the Text comments field so that the Department understands the normal operating conditions at the well and does not mistake these for a potential integrity problem at the well.

33. If you switch from reporting pressure to reporting flow from year-to-year, will it trigger any reporting issues?

No, but the units must be changed and the Department strongly recommends that consistent observations be made at the well to the extent this is practicable, as inconsistency translates to uncertainty and possibly to elevated risk as the Department evaluates the dataset as a whole.

34. If an operator or designee has multiple wells pumping to a centralized tank or operates stripper wells that only pump occasionally, how to you accommodate this within the Water level or other portion of the form?

An average quarterly estimate for the pumping volume in barrels per day (bbls/day) or pumping time in barrels per day (hrs/day) may be used for any wells that pump occasionally or if multiple wells are tied to a centralized tank. This pumping value may vary throughout the reporting period based on the amount of time the well is operating. The other substitute values for water level may also be used, if appropriate.

35. How should it be handled if the well is not equipped with a pump jack, but instead has liquids periodically removed using a rig deployed to the well site.

An average quarterly estimate for the pumping volume in barrels per day (bbls/day) may be used for any wells that are pumped off occasionally. This average will be calculated using the time between pumping events. The other substitute values for water level may also be used, if appropriate.

36. If a well's production annulus is shut-in and not producing, where should an operator or designee report gas pressure in Form C?

If the well annulus is tied to a sales line, provides house gas, or is used to operate equipment at the well; it should be reported in wellhead pressure/flow section. However, if the well annulus is not plumbed for any of the situations listed above, the pressure should be reported in open flow/shut-in pressure section of Form C.

37. Will the Form C validation code flag errors if all the inspection data is copy and pasted into the form at once?

No. This action will overwrite the validation code in the form. Reports may still be prepared this way, but validation errors will only be found after the report is uploaded.

Form C FAQ (Issued 12/12/2014)

38. Can you download Form C to check your inventory on January 1st and then upload another form such as Form A or B? The purpose of this would be to check to make sure all the wells that the Department has assigned to an operator have been addressed in the report.

Yes.

39. For the Form C validation process, will the exact cell location be flagged and how will it be reported to the operator or designee so they can correct and resubmit the report?

Yes. All validation errors are accompanied by the row number, permit number, and column label. When appropriate, the incorrect value is also displayed.