



pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Oil and Gas Management



Chapter 78a Training Well Permits & Well Reporting

August 25, 2016

Dial-in number for Audio: 1-877-668-4493

Event Number: 647 757 039

WebEx Technical Support: 866-229-3239

Note: You will not hear any audio until the beginning of the webinar. To receive a call back, provide your phone number when you join the event.

Tom Wolf, Governor

Patrick McDonnell, Acting Secretary

Well Permits

Regulation Section	Subchapter B. Permits, Transfers & Objections Regulation Section Title	Significant differences in Chapter 78a
78a.11	Permit requirements	
78a.12	Compliance with permit	
78a.13	Permit transfers	
78a.14	Transfer of well ownership or change of address	
78a.15	Application requirements	X
78a.17	Permit expiration and renewal	X
78a.18	Disposal and enhanced recovery well permits	
78a.19	Permit application fee schedule	

Well Permits

§78a.11 – Permit Requirements

- No person may drill or alter a well without a permit
- No person may operate a well unless:
 - the person has obtained a permit
 - the well is registered under the act
 - the well was in operation on April 18, 1985 under a permit that was obtained under the Gas Operations Well-Drilling Petroleum and Coal Mining Act

Well Permits

§78a.12 – Compliance with permit

- A person may not drill, alter or operate a well except in accordance with a permit or registration and in compliance with the terms and conditions of the permit, this chapter and the statutes under which it was promulgated
- A copy of the permit shall be kept onsite during drilling or alteration of a well

Well Permits

§78a.13 – Permit transfers

- No transfer, assignment or sale of rights granted under a permit or registration may be made without prior written approval of the Department. Permit transfers may be denied for the reasons set forth in section 3211(e.1)(4) and (5) of the act

Well Permits

§78a.13 – Permit transfers

- The Department may require the transferee to fulfill the drilling, plugging, well site restoration, water supply replacement and other requirements of the act, regardless of whether the transferor commenced the activity and regardless of whether the transferor failed to properly perform the transferor's obligations under the act.

Well Permits

§78a.14 – Transfer of well ownership or change in address

- Within 30 days after the sale, assignment, transfer, conveyance or exchange of a well, the new owner or operator shall notify the Department, in writing, of the transfer of ownership.
- The permittee shall notify the Department of a change in address or name within 30 days of the change.

Well Permits

§78a.15 – Application Requirements

- Will be covered in detail in Thursday, Sept. 1st
 - Unconventional well permits must be submitted electronically

Well Permits

§78a.17 – Permit Expiration & Renewals

- **Permit Expiration**
 - Subsection (a): A well permit expires 1 year after issuance, unless drilling is pursued with due diligence
 - Due Diligence: completion of the well to total depth within 16 months of permit issuance
 - Extensions: a permittee may request an extension of the 16-month expiration from DEP for good cause
 - Request shall be submitted electronically

Well Permits

§78a.17 – Permit Expiration & Renewals

- Permit **Renewals**
 - Subsection (b): Operators may request a **single 2-year** renewal of an **unexpired** permit.
 - Request shall be accompanied by a permit fee, abandoned well surcharge & an affidavit affirming the information in the original application is still accurate and complete, the well location restrictions are still met & entities required to be notified under section 3211(b)(2) of the act have been notified of the request for renewal.

Well Permits

§78a.17 – Permit Expiration & Renewals

- Subsection (b) **Renewals** Continued
 - If new water wells or buildings are constructed that are not indicated on the plat as originally submitted, the attestation must be updated as part of the renewal request.
 - Any new water well or building owners shall be notified of the renewal; however, the setbacks outlined in § 3215 of the act do not apply provided that the original permit was issued prior to the construction of the building or water well
 - The request shall be received by the DEP at least 15 calendar days prior to the expiration of the original permit.

Well Permits

§78a.18 – Disposal & Enhanced Recovery Permits

- §78a.18 states that the “disposal or enhanced recovery well permits shall meet the requirements of §78.18”

Well Permits

§78a.19 Permit Application Fee

- The fee schedule did not change for Unconventional Operators
 - \$4200 for a vertical unconventional well
 - \$5000 for a nonvertical unconventional well
- At least every 3 years, the Department will provide the EQB with an evaluation of the fees in this chapter and recommend changes



Oil and Gas Management

Well Reporting

Well Reporting

Regulation Section	Subchapter E. Well Reporting Regulation Section Title	Difference in new Chapter 78a
78a.121	Production Reporting	X
78a.122	Well Record and Completion Report	X
78a.123	Logs and additional data	X

Well Reporting

78a.121(a) Production Reporting

- Unconventional well operators shall submit a **monthly** report.
- Report **due within 45 calendar days** of the close of each monthly reporting period.
- Operator shall report wells on an individual basis or the most well-specific basis available

Well Reporting

78a.121(b) Production Report Contents

- Must include the amount and type of waste produced on **monthly report**
- Must include the method of waste disposal
- Must include the specific facility or well site where the waste was managed

Well Reporting

§78a.122(a) – Well Record

- Due within 30 calendar days after the cessation of drilling, and primarily contains the same information as a conventional well record
- Differences in the Chapter 78a include:
 - (11) Whether methane was encountered other than in the target formation
 - Already in the well record; required by 58 Pa.C.S. § 3222(b.1)(2)(i)
 - (12) The country of origin & manufacture of tubular steel products used in the construction of the well
 - Already in the well record; required by 58 Pa.C.S. § 3222(b.1)(2)(ii)
 - **(13) The borrow pit used for well site development, if any.**

Well Reporting

§78a.122(b)– Completion Report

- Due within 30 calendar days after the completion of a well or **when the well is capable of production**, the well operator shall **arrange for the submission of a completion report** to the DEP
- Differences in the Chapter 78a include:
 - (6) Stimulation Record
 - Already in the completion report; required by 58 P.S. § 3222(b.1)(1)(i-iv)
 - **(9) The Well Development impoundment, if any used in the development of the well**
 - **(10) Certification that the Area of Review monitoring plan was conducted as outlined in the Area of Review report**

Well Reporting

§78a.122(c) – Stimulation Record

- When the well operator submits a stimulation record, it may designate specific portions of the stimulation record as containing a trade secret or confidential proprietary information. The Department will prevent disclosure of the designated confidential information to the extent permitted under the Right-to-Know Law (65 P.S. §§ 67.101—**[67.3103] 67.3104**) **or other applicable State law.**

Well Reporting

§78a.122(d) – Well Record & Completion Report

- **The Well Record & Completion report shall be submitted electronically through the Department's website**

Well Reporting

§78a.123(a) – Logs and additional data

- **The well operator shall**, within 90 days of completion or recompletion of drilling, submit a copy of any electrical, radioactive or other standard industry logs which have been run.

Well Reporting

§78a.123(b) – Logs and additional data

- In addition, if requested by the Department within 1 year of the completion or recompletion **of drilling**, the well operator shall file with the Department a copy of the drill stem test charts, formation water analysis, porosity, permeability or fluid saturation measurements, core analysis and lithologic log or sample description or other similar data as compiled. No information will be required unless the operator has had the information described in this subsection compiled in the ordinary course of business. No interpretation of the data is to be filed.

Well Reporting

§78a.123(c) – Logs and additional data

- Upon notification by the Department prior to drilling, the well operator shall collect additional data specified by the Department, such as representative drill cuttings and samples from cores taken, and other geological information that the operator can reasonably compile. **Interpretation of the data is not required to be filed.**

Well Reporting

§78a.123 – Logs and additional data

- Subsection (d) Data required under this subsection shall be retained by the operator 3 years after completion of the well. Upon request **for good cause**, the DEP may extend the deadline up to 5 years from the date of drilling. The DEP may request submission of the information before the timeframes if the information is necessary to conduct an investigation or enforcement action
- Subsection (e) DEP is entitled to use information collected in enforcement proceedings , in making designations or determinations and for statistical analysis



Oil and Gas Management

Questions?

Paul Howard

Division of Compliance & Data Management

Bureau of Oil & Gas Planning and Program Management

717.772.2199

phoward@pa.gov