

The Well Plugging Program

Since the first commercial oil well was drilled in Pennsylvania in 1859, it is estimated that 300,000 oil and gas wells have been drilled in the state. Only since 1956 has Pennsylvania been permitting new drilling operations, and not until 1985 were oil and gas operators required to register old wells. In the prior years of the oil and gas industry in Pennsylvania, many wells were not properly plugged when abandoned.

An unplugged abandoned well can be a hazard to the health and safety of people and cause pollution to the environment. Air, water and soil contamination can be attributed to leaking wells.

Due to the problems that abandoned wells can cause, the Oil and Gas Act of 1984 required oil and gas well operators to plug non-producing wells. The Well Plugging Program has been established to plug abandoned and orphan wells where no responsible party has been identified.

In 1992, the legislature amended the Oil and Gas Act of 1984 to allow certain oil and gas wells abandoned before April 1985 to be classified as orphan wells. This amendment gave the Department the authority to plug orphan wells if landowners, leaseholders and oil and gas operators have received no economic benefit from the well after April 18, 1979.

Surcharges were established by the Oil and Gas Act to fund the orphan and abandoned Well Plugging Program. The 2012 Oil and Gas Act, Section 3271, continued the provision for surcharges. Well plugging contracts are funded with permit surcharges which are in addition to the permit application fee. The orphan surcharge is \$200 for a gas well or \$100 for an oil well. The abandoned well surcharge is \$50.

If a registered well has not been operated in a year and if the well has an inactive status, the well is considered abandoned and the operator must plug the well. Where no responsible party is identified for abandoned or orphan wells, they are plugged utilizing the surcharges from the orphan and abandoned plugging funds through the Well Plugging Program.