

Transfer of Well Ownership vs. Transfer of Well Permit

Well owners and operators should be aware that the transfer of ownership of an oil or gas well is a separate transaction from the transfer of a well's operating permit with the Department. In accordance with the Oil & Gas Act of 2012 (58 Pa. C.S. §§ 2301-3504), hereinafter "Act", and the regulations promulgated thereunder, no person may operate a well unless that person has obtained a permit or registration pursuant to the Act, or unless the well was in operation on April 18, 1985, pursuant to a permit that was obtained under the Gas Operations Well-Drilling Petroleum and Coal Mining Act. Additionally, in accordance with 58 Pa. C.S. § 3211(k) and 25 PA Code section 78.13(a), the well permit or registration may not be transferred without prior approval of the Department.

Within 30 days after the effective date of sale, assignment, transfer, conveyance or exchange of a well, the new owner is required to notify the Department of the transfer of ownership in writing. If the operator of the well is going to change due to the change in ownership, an Application for Transfer of a Well Permit or Registration must also be submitted within that 30 day period. The Department has 45 days from the date of receipt of the transfer application to either approve or deny the transfer request. **Until the transfer is approved by the Department, the existing permitted/registered operator remains responsible for the operation of the well.**

In addition, permit/registration transferees should ensure that they obtain any necessary data and/or documentation from the transferor so that they may comply with any upcoming reporting requirements. The permitted/registered operator of a well as of the close of a production/waste reporting period or mechanical integrity testing calendar year should submit the complete set of data for that period to the Department. Therefore, for permits/registrations transferred within one of these periods, the transferee should obtain copies of production records, waste records, and/or quarterly mechanical integrity assessment records from the transferor so that the transferee can report a complete set of data to the Department at the close of the reporting period.