

Re: Conventional Well Permit

Dear Operator:

Enclosed please find a well permit issued for drilling, altering or operating a conventional well. This permit authorizes you to proceed with drilling, alteration or operation of the well at the location shown on the plat, provided you comply with all representations set forth in your application and its supporting documents and any permit conditions. Please find below some reminders regarding well construction and reporting requirements.

Bonding

Act 96 of 2022 revised Section 3225 of the 2012 Oil & Gas Act, 58 Pa. C.S. § 3225, to provide for additional blanket bond liability of \$1,000.00 for each new conventional well drilled in the Commonwealth, up to a maximum of \$100,000.00 per operator. Please be advised that prior to submitting notice of the date that drilling will commence pursuant to Section 3211(f)(1) of the 2012 Oil & Gas Act, 58 Pa. C.S. § 3211(f)(1), the appropriate bond and related bonding forms will need to be submitted to the Department. The \$1,000.00 blanket bond increase shall be waived for the drilling of a new conventional well if you have plugged an “Orphan Well” (as defined in Section 3203 of the Oil and Gas Act, 58 Pa. C.S. § 3203) at your own expense within the previous 365 days, for which you were not the responsible party. If applicable, a request for bond waiver may be submitted to the Department on a form provided by the Department for review and approval prior to the commencement of drilling.

Cementing

Developing oil and gas resources in a safe and environmentally protective manner is of utmost importance. The Department is providing the following information as a reminder of the cementing requirements for oil and gas wells.

- Properly cementing and casing a well is critical to protecting water resources, preventing gas migration, and ensuring well integrity. If the casing is improperly cemented or if insufficient cement is used, such as when cement is not returned to the surface, the operator must notify the Department pursuant to 25 Pa. Code §78.86.
- Pursuant to 25 Pa. Code §78.85(c) after any casing cement is placed and cementing operations are complete, the casing may not be disturbed for at least 8 hours. This includes activities that may cause movement or pressure changes to the casing or the cement sheath surrounding the casing. *See* 25 Pa. Code §78.86(c)(1)-(4). Please note that 25 Pa. Code §78.85(b) requires that the cement placed behind surface casing must attain a compressive strength of at least 350 psi at the casing seat. After the cement is set, care must be taken when drilling through the plug to prevent damaging the seal at the casing seat. Disturbing the casing while cement is setting or damaging the seal at the casing seat may provide a mechanism for gas and other fluids to escape from the well and contaminate groundwater and water supplies.

Reporting

The Department also reminds you of the following reporting requirements for conventional wells.

- Pursuant to Section 3222(b)(2) of the 2012 Oil and Gas Act, 58 Pa.C.S. §3222(b)(2), and 25 Pa. Code §78.122(a), a **Well Record** must be submitted to the Department within 30 days of cessation of drilling or altering a well.
- Pursuant to Section 3222(b)(3) of the 2012 Oil and Gas Act, 58 Pa.C.S. §3222(b)(3), and 25 Pa. Code §78.122(b), a **Completion Report** must be submitted to the Department within 30 days of completion of the well. This Completion Report must contain stimulation information pursuant to Section 3222(b.1) of the 2012 Oil and Gas Act, 58 Pa.C.S. §3222(b.1)-(b.2).
- Pursuant to Section 3222(a) of the 2012 Oil and Gas Act, 58 Pa.C.S. §3222(a), and 25 Pa. Code §78.121 a Production Report must be submitted to the Department by February 15 of each year for the prior year. The operator must report production on an individual well basis or, if unavailable, on the most well-specific basis available. Pursuant to 25 Pa. Code § 78.122(b), the Production Report must be submitted electronically to the Department through its web site.
- Pursuant to Section 3222(b)(4) of the 2012 Oil and Gas Act, 58 Pa.C.S. §3222(b)(4) and 25 Pa. Code §78.123(a), the Department requests the operator to submit a copy of the electrical, radioactive or other standard industry logs, if they have been run, to the Department within 90 days after completion or recompletion of the well. Operator may submit the well logs electronically to the Department.
- Pursuant to 25 Pa. Code §78a.58(d), An operator processing fluids or drill cuttings generated by the development, drilling, stimulation, alteration, operation or plugging of oil or gas wells shall develop an action plan specifying procedures for monitoring for and responding to radioactive material produced by the treatment processes, as well as related procedures for training, notification, recordkeeping and reporting. The action plan shall be prepared in accordance with the Department's *Guidance Document on Radioactivity Monitoring at Solid Waste Processing and Disposal Facilities*, Commonwealth of Pennsylvania, Department of Environmental Protection, No. 250-3100-001, as amended and updated, or in a manner at least as protective of the environment, facility staff and public health and safety and which meets all statutory and regulatory requirements. The action plan must be submitted and approved by DEP prior to the commencement of waste processing or disposal activities.

The most recent version of the individual forms for the Oil and Gas Program are available on the Department's website:

<http://www.dep.pa.gov/Business/Energy/OilandGasPrograms/OilandGasMgmt/Forms/Pages/default.aspx>

Pursuant to Section 3211(i) of the 2012 Oil and Gas Act, 58 Pa.C.S. §3211(i), the well permit will expire one year after issuance unless operations for drilling the well are commenced within

such period and pursued with due diligence or unless the permit is renewed. The Department interprets due diligence is to mean that drilling the well to total depth occurs within 16 months of permit issuance.

Any person aggrieved by this action may appeal the action to the Environmental Hearing Board (Board), pursuant to Section 4 of the Environmental Hearing Board Act, 35 P.S. § 7514, and the Administrative Agency Law, 2 Pa.C.S. Chapter 5A. The Board's address is:

Environmental Hearing Board
Rachel Carson State Office Building, Second Floor
400 Market Street
P.O. Box 8457
Harrisburg, PA 17105-8457

TDD users may contact the Environmental Hearing Board through the Pennsylvania Relay Service, 800-654-5984.

Appeals must be filed with the Board within 30 days of receipt of notice of this action unless the appropriate statute provides a different time. This paragraph does not, in and of itself, create any right of appeal beyond that permitted by applicable statutes and decisional law.

A Notice of Appeal form and the Board's rules of practice and procedure may be obtained online at <http://ehb.courtapps.com> or by contacting the Secretary to the Board at 717-787-3483. The Notice of Appeal form and the Board's rules are also available in braille and on audiotape from the Secretary to the Board.

IMPORTANT LEGAL RIGHTS ARE AT STAKE. YOU SHOULD SHOW THIS DOCUMENT TO A LAWYER AT ONCE. IF YOU CANNOT AFFORD A LAWYER, YOU MAY QUALIFY FOR FREE PRO BONO REPRESENTATION. CALL THE SECRETARY TO THE BOARD AT 717-787-3483 FOR MORE INFORMATION. YOU DO NOT NEED A LAWYER TO FILE A NOTICE OF APPEAL WITH THE BOARD.

IF YOU WANT TO CHALLENGE THIS ACTION, YOUR APPEAL MUST BE FILED WITH AND RECEIVED BY THE BOARD WITHIN 30 DAYS OF RECEIPT OF NOTICE OF THIS ACTION.

If you have any questions, please contact the Northwest District Oil and Gas Management office at 814.332.6860 for assistance.

Sincerely,



Thomas Donohue
Subsurface Permits Environmental Program Manager
District Oil and Gas Operations