



Oil and Gas Management



# DEP Webinar

April 3, 2012



Oil and Gas Management

# AGENDA

1. Welcome
2. Review of Permitting & Notifications
3. Questions & Comments

**Note:** WebEx Technical Support is available at  
866-229-3239

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# Permitting

# Types of Permits

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- Sub-Surface Activities
  - **Drilling Permit**
  - Subject of today's presentation
- Surface Disturbances
  - Erosion and Sedimentation Control General Permit (ESCGP2)
  - Visit DEP Website for Prior WebEx Presentation
    - [http://www.portal.state.pa.us/portal/server.pt/community/training\\_workshops/20302](http://www.portal.state.pa.us/portal/server.pt/community/training_workshops/20302)
- Other Permits Pending
  - Orphan Well Adoption Permit
  - GP-8 Temporary Crossings
  - GP-5 Air Quality

# Drilling Permit – What's New

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- **Additions to Plat** (3211(b)(1))
  - Adjacent municipalities, landowners, water purveyors
- **Notice requirements** (3211(b)(2))
  - Host/adjacent municipalities, surface landowner, land owners and water purveyors whose water supplies are within 3,000 ft. from well
  - Storage operators within 3,000 ft. of well
- **Permit denials for continual violations** (3211(e.1)(5))
  - Parent and subsidiary compliance considered
- **Permit denial for failure to pay Impact Fee** (3211(e.1)(6))

# Drilling Permit – What's New

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- **Water Management Plan Approval** (3211(m)(1),(m)(2))
  - Required for water used in drilling and stimulation
  - No adverse impacts to water quality/quantity
  - Maintain designated and existing uses of water sources
  - Available to third parties in the Ohio basin
  - Compliance with WMP a condition of well permit (3211(m)(4))
  
- **Water withdrawals in accordance with:** (3211(b)(2))
  - Susquehanna River Basin Commission
  - Delaware River Basin Commission
  - Great Lakes Commission

# Drilling Permit – What's New

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- **Comments by Municipalities & Storage Operators** (3212.1)
  - Municipality where well is proposed to be located
  - Storage operators within 3,000 ft. of well bore
  - Comments must be submitted to DEP and other individuals entitled to receive notification of well permit
  - Responses to comments required within 10 days of receipt of the comments
- **Transparency**
  - Well permit must be posted at well site prior to commencing earth disturbance activities and well construction. 3211(a) and (g)

# Well Location Restrictions

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## Setbacks Increased for Unconventional Wells (3215)

- From 200 ft. to 500 ft. from buildings or water wells (unless consent given by owner)
- 1,000 ft. from water supply (unless authorized by water purveyor)
- From 100 ft. to 300 ft. from any stream, spring, body of water or wetland greater than 1 acre in size
- Well site pads must maintain setback of 100 ft. from the edge of disturbance and any stream, spring, body of water or wetland greater than 1 acre in size

(Waiver processing may require 15 additional review days)

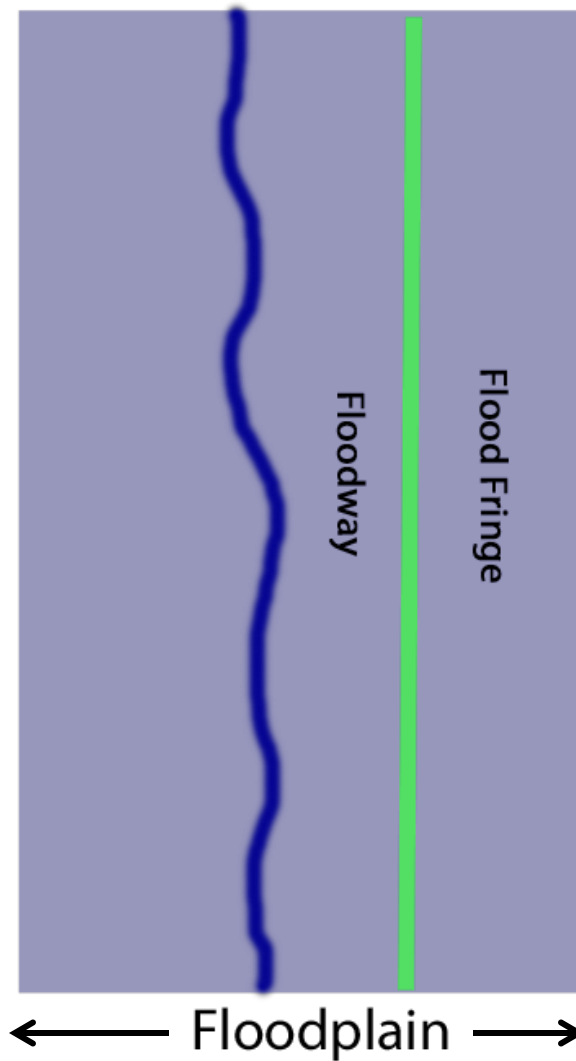


# Well Location Restrictions

- **Restrictions in Floodplains** (3215(f))
  - Prohibits well site or well bore within floodplain if site will have:
    - A pit or impoundment containing drilling cuttings, flowback water, produced water or hazardous materials, chemicals or wastes within the floodplain
    - A tank containing hazardous materials, chemicals, condensate, wastes, flowback or produced water within the floodway
- **Waivers** (3215(f))
  - DEP may issue waiver if additional protective measures employed
  - Waiver not available to tanks in flood fringe unless floodproofing standards achieved
- **Exemptions** (3215(g))
  - Restrictions do not apply to existing well sites with valid well permit

# Well Location Restrictions

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# Setbacks Grandfathering FAQs

Q: Are all previously permitted wells grandfathered?

*No. Only active wells or currently valid well permits are grandfathered if the site has been constructed prior to April 16. An expired well permit cannot be used to grandfather the well site.*

Q: If well pad is constructed and a well permit has been issued, is the well pad grandfathered?

*Yes.*

Q: If well pad is constructed and at least one well has been drilled, is the well pad grandfathered?

*Yes.*

# Setbacks Grandfathering FAQs

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Q: If well pad is constructed, but no wells have been permitted to be drilled at the pad site but a well permit is currently under review, is the pad grandfathered?

*No. A well permit must be issued prior to April 16, 2012 and remain valid.*

Q: If a well permit will expire beyond 60 days from the effective date of Act 13, can the well permit be renewed and grandfathered from the setback provisions?

*Yes. The permit may be renewed prior to the expiration date to retain the grandfathered status. However, should the permit expire, the Oil and Gas Regulations (Ch. 78.65(2)) requires the site to be reclaimed within 30 days of the permit expiration.*

# Permit Review

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- Timing and Quality of Permit Submittal
  - Permit applications received before April 16, 2012
    - “Old” permit application and forms that are Administratively Complete will be accepted for review. If administratively deficient, permit will be returned and new requirements must be met.
    - New Act 13 siting restrictions DO apply to permits under review and any issued permit where the pad has not yet been constructed.
  - Permit applications received ON or AFTER April 16, 2012
    - “New” permit application and forms must be used.
    - The new notifications requirements WILL apply
    - Waiver and variance forms must be submitted as appropriate.

# Well Permit Fee

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- Sliding Permit Fee
  - Separate fee scale for conventional vs. unconventional wells
  - The fee increases as the length of the well increases
  - Average Marcellus well permit fee is \$3,220

# Bonding

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- Current \$2,500/well or \$25,000 blanket bond.
- New: two bond schedules:
  - < 6,000 feet
  - > 6,000 feet
- Based on number of operating wells
- Maximum blanket bond increase to \$850,000

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# Notifications



# Notifications

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- Spud date (commencement of drilling)
- Resumption of drilling
  - 30-day (or longer) break in drilling
- Cementing of all casing strings
- Conducting pressure tests of the production casing
- Stimulation of a well
- Abandoning or plugging of a well

# Notifications

- Submit notifications electronically via DEP Website at <https://www.paoilandgasreporting.state.pa.us>
  - Electronic spud and resumption of drilling notifications are mandatory
- Enter “OGO” number and password
- Select type of notification
- Enter date that activity will occur and approximate time
- DEP inspector will be automatically notified via e-mail
- NOTE: If activity date changes, operator is responsible to re-notify DEP of revised dates using DEP’s electronic notifications system



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For more information, visit:

[www.depweb.state.pa.us](http://www.depweb.state.pa.us)

click on the  graphic.



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**Questions?**  
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