

Standard Operating Procedure (SOP)
For Review and Issuance of
Drill and Operate Well Permits¹
Departmental Staff Only

October 18, 2012

This SOP describes the procedures and work flow for the review, and decision to issue or deny, a Permit Application To Drill And Operate An Unconventional Well (8000-PM-OOGM0001b) or a Permit Application To Drill And Operate A Conventional Well (8000-PM-OOGM0001a), along with their associated authorizations. A list of current authorization codes is attached as Exhibit “A”.

This SOP is intended to comply with the Policy for Implementing the Department of Environmental Protection Permit Review Process and Permit Decision Guarantee (Document ID 021-2100-001) (“PDG Policy”), and the Policy for Permit Coordination (DEP ID: 021-2000-301) (“Coordination Policy”). Nothing in this SOP shall affect regulatory requirements.

Applicant responsibilities include submitting a complete and technically-adequate application, providing required and requested information in a timely fashion, and tracking progress of their permit applications via the Department’s publicly-available data management system (eFACTS). Applicant responsibilities are more thoroughly discussed in the PDG Policy, and are outside the scope of this document.

- I. Coordination, Prioritization and Assignment of Application Manager (Permits Chief)**
 - A. The Permits Chief will review the permit applications (along with any related attachments) and assign the applications.
 - B. The applications will be prioritized in accordance with the “Possible Processing Delays” and “Permit Review Hierarchy” contained in the PDG Policy.
 - C. In accordance with the Coordination Policy, the Permits Chief will determine whether coordination with other applications is required.

- II. Preliminary Data Management and Fee Processing (Administrative Staff)**
 - A. Incoming applications and related authorizations (authorizations distributed to appropriate personnel) are date stamped.
 - B. Staff determines application type.
 - C. Based on the type of application, a fourteen-digit API number is assigned to the application.

¹ **DISCLAIMER:** The process and procedures outlined in this Standard Operating Procedure (SOP) are intended to supplement existing requirements. Nothing in the SOP shall affect regulatory requirements. The process, procedures and interpretations herein are not an adjudication or a regulation. There is no intent on the part of DEP to give the rules in this SOP that weight or deference. This document establishes the framework within which DEP will exercise its administrative discretion in the future. DEP reserves the discretion to deviate from this SOP if circumstances warrant.

- D. The application is checked against the objection log. If an objection has been filed, the objection documentation is pulled and attached to the permit application.
- E. Administrative Staff verifies that the permit fee amount received is correct. If not, the deficiency is noted as part of the Completeness Review. Check handling will be in accordance with Management Directives 305.11, 305.5 and 310.12, as amended and DEP's "Deposit of Fees, Fines, Penalties and Other Revenue" policy (Document Number: OAM-1000-01).

III. **Completeness Review (Administrative Staff)**

- A. Administrative Staff will review each permit application received in accordance with the Checklist for Administrative Completeness Review (attached Exhibit 'B', which may be revised periodically).
- B. Administrative Staff will create or edit a site and all necessary facilities in eFACTS, as appropriate.
- C. Administrative Staff will create a permit application and related authorizations in eFACTS for the well and related authorizations.

D. Completeness determination and task entry

- i. If the permit application has been deemed incomplete, indicate so in eFACTS using appropriate sub-task and the end date will remain open pending one of the following resolutions:

- 1. For minor deficiencies, the Administrative Staff will contact the applicant to explain the deficiency and request any additional information to address the deficiency. A contact log will be maintained with the application.

If the deficiencies are corrected within the ten-day time frame for the Completeness Review, the Administrative Staff will continue to step III.D.ii. below. If the deficiencies are not corrected, or if the information is still inadequate, the Administrative Staff will continue to step III.D.i.2.

- 2. If the deficiencies are deemed to be major, or if the additional material submitted is still insufficient to conduct a technical review, the Administrative Staff will, with approval of the Permits Chief, notify the applicant in writing that the application is incomplete and is being denied under the authority of the section 3211(e.1)(2) of the 2012 Oil & Gas Act, 58 Pa.C.S. § 3211(e.1)(2). . The letter will outline the applicant's right to appeal the denial and will be signed by the Program Manager. The permit application status will be updated in eFACTS, and the application fee will not be returned.

- ii. If the permit application is deemed complete, Administrative Staff will enter appropriate task and dates and forward the application to the appropriate member of the technical staff for review.

The permit applicant can check the status of their permit at the following DEP web link:

<http://www.ahs.dep.pa.gov/eFACTSWeb/>

IV. Technical Review (Application Manager)

- A. The Application Manager will review the drilling permit application (and related authorizations and attachments) as required by the appropriate statutes and regulations, for technical sufficiency.
- B. When the Application Manager determines that information beyond the scope of the Completeness Review has not been provided or that the technical information provided is inadequate to continue with a technical review of the application (and/or it's related authorizations and attachments), the following will occur:
 - i. If the deficiencies are deemed to be minor, the Application Manager will contact the applicant explaining the deficiency and request additional required materials or information. A log will be maintained with the permit file until the permit is issued.

If the deficiencies are not corrected within 10 days, the Application Manager will continue to step IV.B.ii.
 - ii. If the deficiencies are deemed to be major, or if the application fails to provide the technical information necessary to document that applicable regulatory and statutory requirements will be achieved, the Application Manager will notify the applicant in writing that the application is technically deficient (TD). The TD letter will cite the statutory or regulatory obligation that the application has failed to meet. Staff will update eFACTS to reflect the status of the application.

If the response addresses all concerns raised in the TD letter and is received within the time specified, the Application Manager will continue with the Technical Review.

If after the specified response period the application is still deemed to be technically deficient, the Application Manager will brief the Permit Chief on the circumstances potentially elevating the review. The Elevated Review Process outlined in the PDG Policy will be followed.

- C. Once the permit application has been deemed complete and technically sufficient, the Application Manager, and the Permits Chief if appropriate, will signify their approval by initialing and dating the permit application in the appropriate space, and will then forward the permit application to a member of the Administrative Staff for final permit processing.

V. Final Permit Processing (Administrative Staff)

- A. Following permit approval by the Application Manager, the Administrative Staff will review the permit application and associated authorizations to ensure that the application is complete and that the objection date has passed, and add any provided special conditions and notes placed upon the permit in eFACTS. Administrative Staff will generate the permit and present it, along with any additional necessary authorizations or letters, to the Program Manager for signature.
- B. A copy of the signed permit and related authorizations is then mailed to the operator.
- C. A copy of the signed permit and related authorization is then scanned to the file server for use by field personnel.

D. The original permit application, with all related authorizations and any attachments, is then filed in Central Files.

Exhibit “A”

Standard Operating Procedure (SOP)
 For Review and Issuance of
 Drill and Operate Well Permits
 Departmental Staff Only

List of Authorizations to be included in this SOP:

Auth Code	Authorization Description	Application Code	Number of Days
DOW	Drill & Operate Well Permit	NEW	32
DOW	Drill & Operate Well Permit	REN	32
DOWEC	OG-24 Alternate Method of Equipping, Casing or Venting Well	NEW	43
WAV	OG-57 Waiver (Spring, Stream, Body of Water, or Wetland)	NEW	43
VAR	OG-58 Variance (Existing Building or Water Supply)	NEW	43
AWMPR	OG-71 Alternate Waste Management Practice	NEW	43
DOWA	Drill & Operate Well Permit Alteration	NEW	32
DOWA	Drill & Operate Well Permit Alteration	REN	32
DOWCU	Drill & Operate Well Permit Change in Use	NEW	32
DOWDD	Drill & Operate Well Permit Drill Deeper	NEW	32
DOWDD	Drill & Operate Well Permit Drill Deeper	REN	32
DOWDR	Drill & Operate Well Permit Disposal/Enhanced Recovery	NEW	32
DOWDR	Drill & Operate Well Permit Disposal/Enhanced Recovery	REN	32
DOWOC	Drill & Operate Well Permit Client Transfer	TRAN	32
DOWR	Drill & Operate Well Permit Re-Drill	NEW	32
DOWR	Drill & Operate Well Permit Re-Drill	REN	32

Exhibit "B"
CHECKLIST FOR COMPLETENESS REVIEW
OF INCOMING DRILLING PERMIT APPLICATIONS (10/2/12 lr)

For Internal use only

YES	NO	N/A	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appropriate permit application and fee submitted.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appropriate Bond Agreement listed, and appropriate bond amount is currently in place.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Objection Log has been checked, and any objection documents have been attached permit has been
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Application has been signed by an authorized person.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Check applicant's address.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Check answers to Items 1 thru 12.
			a. Item 1: If yes, this indicates the well is a Conservation Well. Make notation in Coal Module block.
			b. Item 2: If yes, is an OG-57 and E&S Plan attached? xmit to WQS w/ copies to Super and Geo.
			c. Item 3: If yes, is Operator listed on P3? Is a drilling, casing & cementing plan attached?; xmit to OGI w/copies to Super and Geo.
			d. Item 5 and/or 5.1: If yes, is OG-58 or consent attached? xmit to OGI w/copies to Super and Geo
			e. Item 6: If yes, is OG-76 attached? Clearance letters are Geo responsibility.
			f. Item 8: If yes, look up site number of ESCGP, if any, and record on P1. PF/SF will be created there.
			g. Item 10: If yes, highlight to point out to Geo (ALSO FOR ITEMS 5 AND 6)
			h. Item 12: Is a current Ownership & Control Form OOGM118 attached?
			i. Other: If an OG-24 is attached, xmit to OGI w/copies to Super and Geo.
			j. Other: The only squares that can be blank are the API, Project #, Serial #, and Impoundment/Pad/Borrow Area information. All other information should be provided.
			k. Other: If drilling well deeper vertically, is a casing & cementing plan provided? xmit to OGI as in c above.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non-Coal Justification or Coal Module:
			Is a Non-Coal Justification required and attached? yes <input type="checkbox"/> no <input type="checkbox"/> N/A <input type="checkbox"/> write API at top
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Coal Module (if applicable):
			Is a Coal Module required and attached? yes <input type="checkbox"/> no <input type="checkbox"/> N/A <input type="checkbox"/> write API at top
			Item 2: If no, is exception request attached? yes <input type="checkbox"/> no <input type="checkbox"/> N/A <input type="checkbox"/>
			Item 2c: If yes, is approved OG-57 attached? yes <input type="checkbox"/> no <input type="checkbox"/> N/A <input type="checkbox"/>
			Item 4: If yes, is mine workings map attached? yes <input type="checkbox"/> no <input type="checkbox"/> N/A <input type="checkbox"/>
			Page 2: Check each name listed against a signed Certified Mail receipt. Each name listed must have a signed receipt, a signature at the bottom of page 2, or a notarized affidavit. Ensure blocks are checked for each name listed. Coal Owners, Lessees and Operators must also appear on plat.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Application Page 3:
			Check Farm Name, Well #, & applicant name to see if they are listed and the same as shown on page 1.
			a. Check each name listed against a signed Certified Mail receipt. All listed must have a signed receipt, signature at the bottom of page 3, or a notarized affidavit.
			b. Ensure blocks are checked for each name listed. Note: All Surface Landowners and Surface Landowners with Water Supplies, Water Purveyors and Municipalities must also appear on the plat.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PNDI Search:
			Was the PNDI search conducted in accordance with the current DEP PNDI Policy (400-0200-001)?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Plat:
			Check to ensure that all information is filled out: Every item (Well name, #, County, Municipality, Operator Name, ID# & Add, Lat & Long, Target Formations, Quadrangle, Map Section, Elevation, TVD, # and footage of laterals, 911 address, etc.) must be on the plat and EXACTLY as listed on Page 1; all data must be NAD83 w/ surveyor's seal.
			Page 2 is required for all applications; page 3 is required for non-conventional; page 4 required for horizontal. All pages must be on Commonwealth forms; Pg 3 also requires a seal.
			Unconventional permit application: As defined in 58 Pa.C.S. § 3203.
			Surface Landowners and Surface Landowners with Water Supplies, Water Purveyors and Municipalities listed and notified via Page 3 are on plat; Coal Parties on Coal Module also.