

Annex A

TITLE 25. ENVIRONMENTAL PROTECTION

PART I. DEPARTMENT OF ENVIRONMENTAL PROTECTION

Subpart C. PROTECTION OF NATURAL RESOURCES

ARTICLE I. LAND RESOURCES

CHAPTER 78. OIL AND GAS WELLS

SUBCHAPTER A. GENERAL PROVISIONS

§ 78.1 Definitions.

(a) The words and terms defined in section 103 of the act (58 P. S. § 601.103), section 2 of the Coal and Gas Resource Coordination Act (58 P. S. § 502), section 2 of the Oil and Gas Conservation Law (58 P. S. § 402), section 103 of the Solid Waste Management Act (35 P. S. § 6018.103) and section 1 of The Clean Stream Law (35 P. S. § 691.1), have the meanings set forth in those statutes when the terms are used in this chapter.

(b) The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

MARCELLUS SHALE WELL – A WELL THAT WHEN DRILLED OR ALTERED PRODUCES GAS OR IS ANTICIPATED TO PRODUCE GAS FROM THE MARCELLUS SHALE GEOLOGIC FORMATION.

NON-VERTICAL WELL – A WELL DRILLED INTENTIONALLY TO DEVIATE FROM A VERTICAL AXIS. THE TERM INCLUDES WELLS DRILLED DIAGONALLY AND WELLS THAT HAVE HORIZONTAL BORE HOLES.

VERTICAL WELL – A WELL WITH A SINGLE VERTICAL WELL BORE.

SUBCHAPTER B. PERMITS, TRANSFERS, AND OBJECTIONS

§ 78.19 Permit application fee schedule

[(a) Except as provided in subsection (b), an applicant shall pay a permit application

fee of \$100.00.]

[(b)](a) An applicant [**proposing to drill a well to produce gas from the Marcellus shale formation**] shall pay a permit application fee according to the following schedule:

<u>Vertical Wells</u>	
<u>Total Well Bore Length in Feet</u>	<u>Total fee</u>
<u>0 to 2,000</u>	<u>\$250</u>
<u>2,001 to 2,500</u>	<u>\$300</u>
<u>2,501 to 3,000</u>	<u>\$350</u>
<u>3,001 to 3,500</u>	<u>\$400</u>
<u>3,501 to 4,000</u>	<u>\$450</u>
<u>4,001 to 4,500</u>	<u>\$500</u>
<u>4,501 to 5,000</u>	<u>\$550</u>
<u>5,001 to 5,500</u>	<u>\$650</u>
<u>5,501 to 6,000</u>	<u>\$750</u>
<u>6,001 to 6,500</u>	<u>\$850</u>
<u>6,501 to 7,000</u>	<u>\$950</u>
<u>7,001 to 7,500</u>	<u>\$1,050</u>
<u>7,501 to 8,000</u>	<u>\$1,150</u>
<u>8,001 to 8,500</u>	<u>\$1,250</u>
<u>8,501 to 9,000</u>	<u>\$1,350</u>
<u>9,001 to 9,500</u>	<u>\$1,450</u>
<u>9,501 to 10,000</u>	<u>\$1,550</u>
<u>10,001 to 10,500</u>	<u>\$1,650</u>
<u>10,501 to 11,000</u>	<u>\$1,750</u>
<u>11,001 to 11,500</u>	<u>\$1,850</u>
<u>11,501 to 12,000</u>	<u>\$1,950</u>

<u>Non-Vertical Wells</u>	
<u>Total Well Bore Length in Feet</u>	<u>Total fee</u>
<u>0 to 1,500</u>	<u>\$900</u>
<u>1,501 to 2,000</u>	<u>\$1,000</u>
<u>2,001 to 2,500</u>	<u>\$1,100</u>
<u>2,501 to 3,000</u>	<u>\$1,200</u>
<u>3,001 to 3,500</u>	<u>\$1,300</u>
<u>3,501 to 4,000</u>	<u>\$1,400</u>
<u>4,001 to 4,500</u>	<u>\$1,500</u>
<u>4,501 to 5,000</u>	<u>\$1,600</u>
<u>5,001 to 5,500</u>	<u>\$1,700</u>
<u>5,501 to 6,000</u>	<u>\$1,800</u>
<u>6,001 to 6,500</u>	<u>\$1,900</u>
<u>6,501 to 7,000</u>	<u>\$2,000</u>
<u>7,001 to 7,500</u>	<u>\$2,100</u>
<u>7,501 to 8,000</u>	<u>\$2,200</u>
<u>8,001 to 8,500</u>	<u>\$2,300</u>
<u>8,501 to 9,000</u>	<u>\$2,400</u>
<u>9,001 to 9,500</u>	<u>\$2,500</u>
<u>9,501 to 10,000</u>	<u>\$2,600</u>
<u>10,001 to 10,500</u>	<u>\$2,700</u>
<u>10,501 to 11,000</u>	<u>\$2,800</u>
<u>11,001 to 11,500</u>	<u>\$2,900</u>
<u>11,501 to 12,000</u>	<u>\$3,000</u>

Marcellus Shale Wells	
Total Well Bore Length in Feet	Total fee
0 to 1,500	\$900
1,501 to 2,000	\$1,000
2,001 to 2,500	\$1,100
2,501 to 3,000	\$1,200
3,001 to 3,500	\$1,300
3,501 to 4,000	\$1,400
4,001 to 4,500	\$1,500
4,501 to 5,000	\$1,600
5,001 to 5,500	\$1,700
5,501 to 6,000	\$1,800
6,001 to 6,500	\$1,900
6,501 to 7,000	\$2,000
7,001 to 7,500	\$2,100
7,501 to 8,000	\$2,200
8,001 to 8,500	\$2,300
8,501 to 9,000	\$2,400
9,001 to 9,500	\$2,500
9,501 to 10,000	\$2,600
10,001 to 10,500	\$2,700
10,501 to 11,000	\$2,800
11,001 to 11,500	\$2,900
11,501 to 12,000	\$3,000

(b) An applicant for a vertical well exceeding 12,000 feet in total well bore length shall pay a permit application fee of \$1,950 + \$100 for every 500 feet the well bore extends over 12,000 feet. Fees shall be rounded to the nearest 500 foot interval.

(c) An applicant for a **non-vertical well or** Marcellus Shale well exceeding 12,000 feet in total well bore length shall pay a permit application fee of \$3,000 + \$100 for every 500 feet the well bore extends over 12,000 feet. Fees shall be rounded to the **nearest 500** foot interval.

(d) If, when drilled, the total well bore length of [**a Marcellus shale**] **the** well exceeds the length specified in the permit application, the operator shall pay the difference between the amount paid as part of the permit application and the amount required by

[subsection b] subsections a through c. [plus 10% of the total amount required by subsection b]

[(e) fees are non-refundable.]

[(f)](e) An applicant for a vertical well with a well bore length of 1,500 feet or less for home use shall pay a permit application fee of \$200.00.

(f) At least every three years, the department will provide the Environmental Quality Board with an evaluation of the fees in this chapter and recommend regulatory changes to the Environmental Quality Board to address any disparity between the program income generated by the fees and the department's cost of administering the program with the objective of ensuring fees meet all program costs and programs are self-sustaining.