

Single Application for Assistance

Web Application Id: 8077616

Single Application Id: 201606165381

Applicant: Richland Township

Program Selected: Orphan or Abandoned Well Plugging Program

Applicant Information

Applicant Entity Type: Government

Applicant Name: Richland Township

NAICS Code 9211

FEIN/SSN Number XXXXXXXXX

CEO: Dean Bastianini

CEO Title: Township Manager

SAP Vendor #: XXXXXX

Contact Name: Dean Bastianini

Contact Title: Township Manager

Phone: (724)-443-5921 Ext.

Fax: (724)-443-8860

E-mail: dbastianini@richland.pa.us

Mailing Address: 4019 Dickey Road

City: Gibsonia

State: PA

Zip Code: 15044

EnterpriseType

Government,

Single Application for Assistance

Web Application Id: 8077616

Single Application Id: 201606165381

Applicant: Richland Township

Program Selected: Orphan or Abandoned Well Plugging Program

Project Overview**Project Name:**

Richland Township Abandoned Well Plugging Project

Is this project related to another previously submitted project?

No

If yes, indicate previous project name:**Have you contacted anyone on the Governor's Action Team about your project?**

Yes

If yes, indicate who:

John Murray

Single Application for Assistance

Web Application Id: 8077616

Single Application Id: 201606165381

Applicant: Richland Township

Program Selected: Orphan or Abandoned Well Plugging Program

Project Site Locations

Address: 4137 Bakerstown Road
(former Pittsburgh Cut Flower property)

City: Gibsonia

State: PA

Zip Code: 15044

County: Allegheny

Municipality: Richland Township

PA House: Harold A. English (30)

PA Senate: Randy Vulakovich (38)

US House: Scott Perry (4)

Current Employees: 0

Jobs To Be Created: 5

Jobs that Pay: \$44,186.00

Created 0

Retained 0

Jobs that Pay

Jobs that Pay is Part Of Governor Wolf's initiative to improve Pennsylvania's overall job climate and job growth through partnering with the private sector to encourage the creation and retention of jobs that pay at least 80% of the annual average wage in the county where the jobs are located. (See current county listings). Job creation and retention will help ensure that businesses and communities provide employment opportunities for all of the state's residents, improve the local tax base, and achieve prosperity and a higher quality of life for families and communities.

NOTE: Jobs that Pay required data by the Department is for reporting purposes only and will **NOT** be used as a criteria for awarding loans, loan guarantees, grants or tax credits.

Designated Areas:

Address: 420 Ridge Road
(Brethauer's residence)

City: Valencia

State: PA

Zip Code: 16059

County: Allegheny

Municipality: Richland Township

PA House: Harold A. English (30)

PA Senate: Randy Vulakovich (38)

US House: Scott Perry (4)

Current Employees: 0

Jobs To Be Created: 5

Jobs that Pay: \$44,186.00

Created 0

Retained 0

Jobs that Pay

Jobs that Pay is Part Of Governor Wolf's initiative to improve Pennsylvania's overall job climate and job growth through partnering with the private sector to encourage the creation and retention of jobs that pay at least 80% of the annual average wage in the county where the jobs are located. (See current county listings). Job creation and retention will help ensure that businesses and communities provide employment opportunities for all of the state's residents, improve the local tax base, and achieve prosperity and a higher quality of life for families and communities.

NOTE: Jobs that Pay required data by the Department is for reporting purposes only and will **NOT** be used as a criteria for awarding loans, loan guarantees, grants or tax credits.

Designated Areas:

Single Application for Assistance

Web Application Id: 8077616

Single Application Id: 201606165381

Applicant: Richland Township

Program Selected: Orphan or Abandoned Well Plugging Program

Project Budget

	Orphan or Abandoned Well Plugging Program	Total
- Acquisition	0	0
- General Construction	0	0
- Infrastructure / Site Preparation	233,000	233,000
Excavation/Grading	9,500	9,500
Environmental Cleanup	223,500	223,500
- Machinery & Equipment	0	0
- Working Capital	0	0
- Operating Costs	0	0
- Related Costs	16,310	16,310
Engineering	2,330	2,330
Legal Costs	2,330	2,330
Contingencies	11,650	11,650
- Other	0	0
Grand Totals	249,310	249,310

Basis of Cost

Provide the basis for calculating the costs that are identified in the Project Budget.

Contractor Estimates

Budget Narrative

The narrative must specifically address each of the cost items identified in the Project Budget section. If an amount is placed in any of the OTHER categories, you must specify what the money will be used for. **NOTE:** Some programs have specific guidelines regarding the narrative necessary to qualify for that particular resource. Please read the Program Guidelines for details.

Our budget was derived from cost estimates provided by three (3) well plugging companies solicited by the PA DEP. A detailed budget is provided in Exhibit 3.

Single Application for Assistance

Web Application Id: 8077616

Single Application Id: 201606165381

Applicant: Richland Township

Program Selected: Orphan or Abandoned Well Plugging Program

Project Narrative

What do you plan to accomplish with this project?

Identify the problem(s) that need to be resolved.

Two orphaned/abandoned gas wells in Richland Township have been identified by an oil & gas inspector working for the Pennsylvania Department of Environmental Protection. The first well is located on a residential property owned by Mr. and Mrs. Charlie and Paula Brethauer, both long-term Richland Township residents. The second well is located on a large undeveloped property (the former Pittsburgh Cut Flower property) that is currently in the initial planning stages for a large 55+ active adult housing development in the Township. We are seeking grant funds from DCED/CFA to plug wells on both properties to ensure and maintain the safety of our current and future residents, and to promote the values of environmental stewardship and economic sustainability throughout our community.

How do you plan to accomplish it?

Include expected outcomes that are measurable, obtainable, clear and understandable, and valid. Examples of measurable outcomes include jobs created or retained, people trained, land or building acquired, housing units renovated or built, etc.

We have consent from both property owners to have the work completed (Exhibit 1). Both wells are easily accessible and prepped for work to begin. We have received cost estimates from three (3) different well plugging companies and are confident that our budget reflects an average of their estimates. Additionally, the housing development planned for the former Pittsburgh Cut Flower property is proposing 198 homes to be built, which will create and retain many jobs within the Township.

How do you plan to use the funds?

Should include specific use of funds and reflect the budget provided with the application.

Grants funds will be solely used to cap and/or plug two (2) abandoned/orphaned gas wells in Richland Township (see Exhibit 8).

Projected Schedule and Key Milestones and Dates

A detailed schedule of activities, including key milestones and dates, must accompany this application if applicable to the project.

Single Application for Assistance

Web Application Id: 8077616**Single Application Id: 201606165381****Applicant: Richland Township****Program Selected: Orphan or Abandoned Well Plugging Program**

Program Addenda

1. I understand this application requires a \$100 application fee made payable to the Commonwealth Financing Authority and I will send it along with the signature page, the original and 2 copies of the single application and all required supplemental information stated in the program guidelines.

Yes

Add any additional information in the upload boxes below:

Uploaded Documents

Copy of Application Check.pdf View

Exhibits.pdf View



Pennsylvania Department of Community and Economic Development

Single Application for Assistance

Single Application #: 201606165381

This page must accompany all required supplemental information **Mail to:**

**Pennsylvania Department of Community and Economic Development
Commonwealth Keystone Building
Attn: Customer Service Center
400 North Street, 4th Floor
Harrisburg, PA 17120-0225**

I hereby certify that all information contained in the single application and supporting materials submitted to DCED via the Internet, Single Application # 201606165381 and its attachments are true and correct and accurately represent the status and economic condition of the Applicant, and I also certify that, if applying on behalf of the applicant, I have verified with an authorized representative of the Applicant that such information is true and correct and accurately represents the status and economic condition of the Applicant. I also understand that if I knowingly make a false statement or overvalue a security to obtain a grant and/or loan from the Commonwealth of Pennsylvania, I may be subject to criminal prosecution in accordance with 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities) and 31 U.S.C. §§ 3729 and 3802 (relating to false claims and statements).



Signature: Sara Knapp

The Pennsylvania Department of Community and Economic Development reserves the right to accept or reject any or all applications submitted on the Single Application for Assistance contingent upon available funding sources and respective applicant eligibility.

EXHIBIT 1 – PROJECT NARRATIVE

PROJECT NARRATIVE

PROJECT #1: Former Pittsburgh Cut Flower property. Tentative Planned Residential Development by Traditions of America. 198 housing units are proposed.

PROJECT LOCATION: 4137 Bakerstown Road, Richland Township, Allegheny County

OWNER: 4137 Bakerstown Road, LLC
5600 Broadway
Bronx, NY 10463

DEVELOPER: Traditions of America, LP
201 King of Prussia Road
Suite 370
Radnor, PA 19087

HISTORY: The property consists of 180 acres of woods, wetlands, and meadows. The property was formerly owned by the Pittsburgh Cut Flower Company, a business that grew and sold flowers, in operation from 1884 until 1991. The property is now owned by 4137 Bakerstown Road, LLC. Due to the nature and operations of the cut flower business, considerable environmental cleanup was required by the EPA before the property was suitable for development. For example, greenhouse buildings that contained asbestos needed removed, and soils containing pesticides and other chemicals needed remediated. All environmental cleanup procedures have been completed, and the property is now an attractive development site, one of a remaining few undeveloped parcels of land in Richland Township.

There are no known records of an abandoned gas well on the property. 4137 Bakerstown Road LLC discovered the well in the initial planning process with the potential developer, Traditions of America. A PA DEP oil and gas inspector visited the well site in April of 2016 and made recommendations for plugging. 4137 Bakerstown Road LLC has given Richland Township authorization to include their abandoned well in this application that initially only had the Brethauer well (Project #2) identified for plugging. The development of the former Pittsburgh Cut Flower property will create and/or retain numerous jobs in the Township. The Township has the ability to complete the project with adherence to relevant Federal and State statutes and regulations.

WELL LOCATION: The well is located in Phase 4 of the proposed Traditions of America Planned Residential Development, specifically on Lot 411, in which one (1) single family home is proposed to be built.

PLANNED RESIDENTIAL DEVELOPMENT: Homes proposed for the property consist of twenty-nine (29) single family homes, forty-six (46) duplex active adult homes (age 55+), and 123 single

active adult homes (age 55+), totaling 198 homes. Additionally, a clubhouse, pool, and walking trails are planned for the site.

ECONOMIC JUSTIFICATION TO REQUEST ASSISTANCE: The discovery of an abandoned, undocumented well creates a significant hardship on the development of the proposed Planned Residential Development. The total cost of plugging the well is estimated to be \$125,000.00, and would have a severe impact on the developer's financials. An abandoned gas well would render Lot 411 and the lots surrounding it less marketable, with the potential for vacant lots and/or significant decreases in property values, adversely affecting the viability of the development and the creation and retention of many jobs in the Township.

CONTRACTUAL CONSENT OF LANDOWNER

(I)(We), the undersigned, hereinafter sometimes referred to as "Owner", being the owner(s) of 100.7 acres of land located in Richland Township, Allegheny County as described in the deed(s) recorded in the Recorder of Deeds Office Book(s) and pages(s) 2187 - M - 288 and shown by crosshatched lines on the map attached hereto, **DO HEREBY GRANT TO THE TOWNSHIP OF RICHLAND (TOWNSHIP) AND ITS CONTRACTOR THE RIGHT TO ENTER UPON AND USE THE LAND FOR THE PURPOSES OF CONDUCTING WELL CLEAN OUT AND PLUGGING ACTIVITIES.** The Township desires to undertake activity described in the Plugging Project Job Description attached hereto pursuant to Section 210(e) of the Oil and Gas Act, 58 P.S. §601.210; The Clean Streams Law, 35 P.S. §§691.1-691.1001; and Section 1917(a) of The Administrative Code of 1929, 71 P.S. §510-17.

Furthermore, in consideration of the benefits to the general public and to the owner, (I), (we), the undersigned, grant to the Township of Richland, its employees, agents, contractors, and sub-contractors, the right to enter upon the aforesaid land, from the date of agreement, and before beginning the plugging activity(ies), during the plugging activity(ies) and for a period of one year after the completion or abandonment of the plugging activity(ies) for the purposes of inspecting the well and conducting the activities described in the attached Plugging Project Job Description and incidental thereto, and in accordance with the provisions of the Oil and Gas Act, the Clean Streams Law, the Administrative Code of 1929, and the rules and regulations promulgated thereunder, and the provisions of the permit(s) issued to the operator.

In addition, (I), (we) do hereby grant to the Township, for the aforesaid period of time, a right of entry across any adjoining or contiguous lands owned by (me) (us) in order to have access to the land described herein. It is specifically agreed and understood that this contractual consent gives the Township the right to enter and inspect the premises and abate or prevent pollution but does not obligate the Township to do so, does not constitute any ownership interest by the Township in the aforesaid land, and does not affect or limit any rights available to the Township under applicable law.

Owner agrees not to interfere with, damage, alter, or remove Plugging Project Work, or with any maintenance, monitoring or other work performed to assure successful completion of the Plugging Project Work. All tools, equipment and other property taken to or placed on the property by the Township or its representatives shall remain the property of the Township or its representatives and may be removed by them at any time.

Owner agrees to notify the Township in writing within thirty (30) days of any sale or transfer of the above-referenced property.

Owner specifically agrees not to hold the Township liable for any and all claims of damage or liability claims arising from the entry onto, the use of and egress from the property for implementation and conduct of the Plugging Project Work and for any subsequent maintenance, investigation or monitoring performed to assure successful completion of the Plugging Project Work. The well plugging contractor is required under its contract with the Township to have in place contractual liability insurance covering public and automotive bodily injury and property damage.

This consent places no obligation on the Township to undertake or complete the Plugging Project Work.

(Insert additional provisions/concerns or cross out)

In witness whereof and intending to legally bind (myself) (ourselves), (I) (we) have hereunto set (my) (our) hand(s) this _____ day of _____, 20_____.

OWNER (INDIVIDUAL)

(Signature)(s)

(Printed Name)(s)

(Address)

(Phone)

ATTEST:

(Signature)

(Printed Name and Title)

Attachment

1. Map

OWNER (CORPORATION)

By: _____

(Signature)

SAM UFERMELSTEIN MANAGER
(Printed Name and Title)

2975 WESTWICK AVE
(Address)

PURCHASE # 10577

914-889-1430 x105
(Phone)

Contract BOGM _____

**GENERAL JOB DESCRIPTION
FOR ABANDONED WELL(S)
THAT ARE CLEANED OUT AND PLUGGED
BY THE TOWNSHIP OF RICHLAND**

1. The Township's contractor shall prepare the wells(s) for plugging and permanent abandonment, provide all the necessary equipment to construct a suitable access road(s), if (if needed), to the well(s) and construct well site(s) while exercising caution to avoid damage to adjacent buildings and properties.
2. The contractor shall provide for collection, safe storage and disposal of all liquids and wastes produced from the well during the clean out and plugging operation, and plug the well(s) in accordance with the requirements of the Oil and Gas Act, and other applicable measures as specified in the General Conditions for Construction.
3. All material, including pipe removed from the well(s), shall be disposed of off site by the contractor.
4. The contractor shall restore the site(s) by grading, leveling, and seeding, all well site areas, access roads and other areas disturbed by the plugging and clean up operations in a manner approved by the Township representative.

SITE PLAN PITTSBURGH CUT FLOWERS

RICHLAND TOWNSHIP
ALLEGHENY COUNTY

→ NOT TO SCALE
N DATE: JUNE 2019

4137 BAKERSTOWN ROAD LLC
1800 BROADWAY
SPRING, WY 83403

- NOTES:**
1. OVERALL SITE AREA: 100.71 ACRES
PARCEL NORTH OF BAKERSTOWN ROAD:
(ZONED NC AND NOT PART OF THE PRO)
11.01 ACRES
PARCEL SOUTH OF BAKERSTOWN ROAD:
(ZONED RL AND IS INCLUDED IN THE PRO -
INCLUDES PROPERTY AREA EAST & WEST OF
NORTH MONTGOMERY ROAD)
101.67 ACRES
 2. BASE TOPOGRAPHIC SURVEY INFORMATION IS BASED ON FILES PROVIDED BY
THE PENNSYLVANIA SPATIAL DATA ACCESS (PASDA)
 3. NO FLOODPLAINS EXIST ON THIS SITE.
 4. THE TITLE SOURCE INFORMATION FOR THIS SITE:
187 BAKERSTOWN ROAD, LLC
BLOCK 7 LOT
2107-0-24

GAS WELL LOCATION



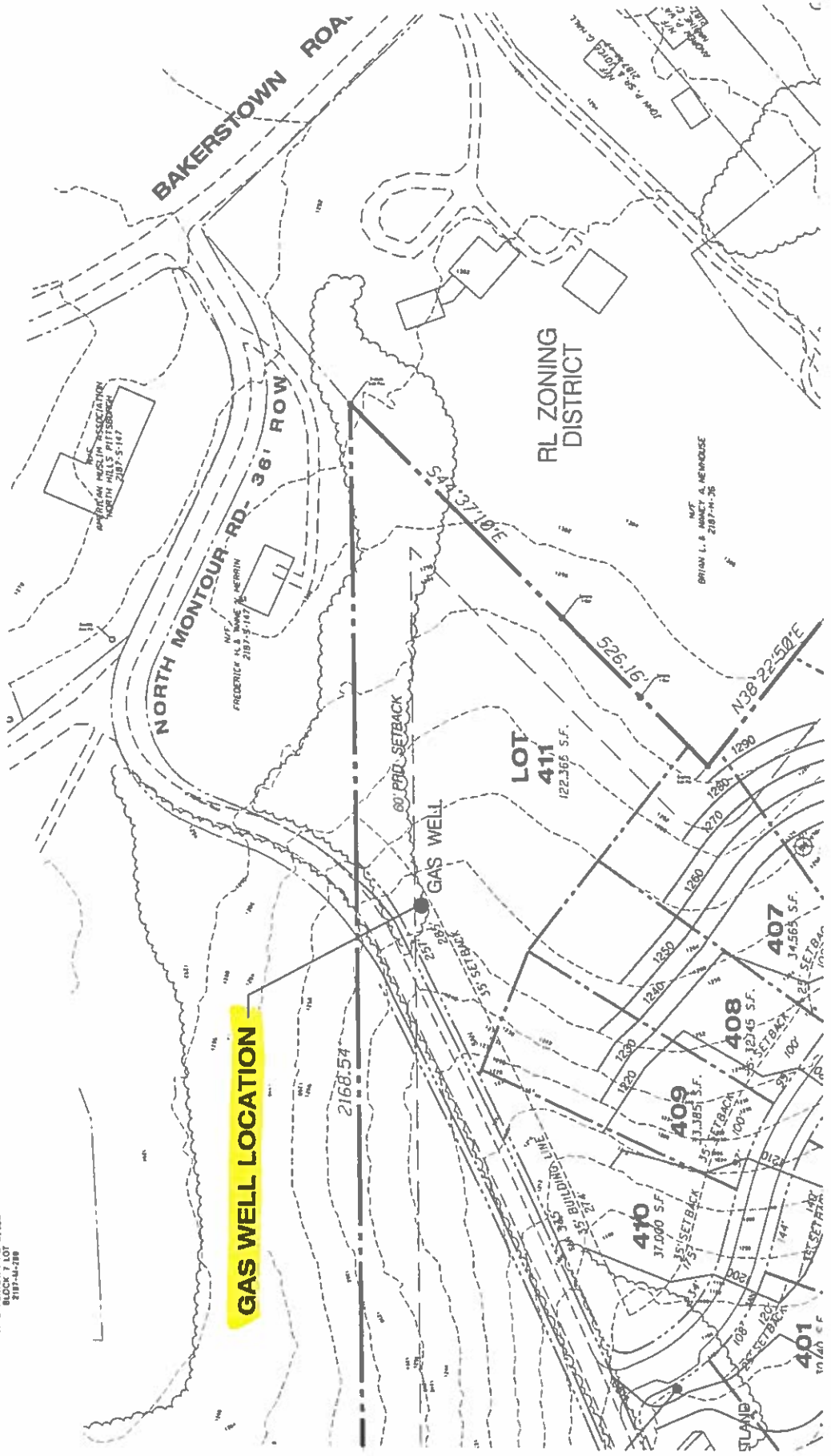
SITE PLAN DETAIL - GAS WELL **PITTSBURGH CUT FLOWERS**

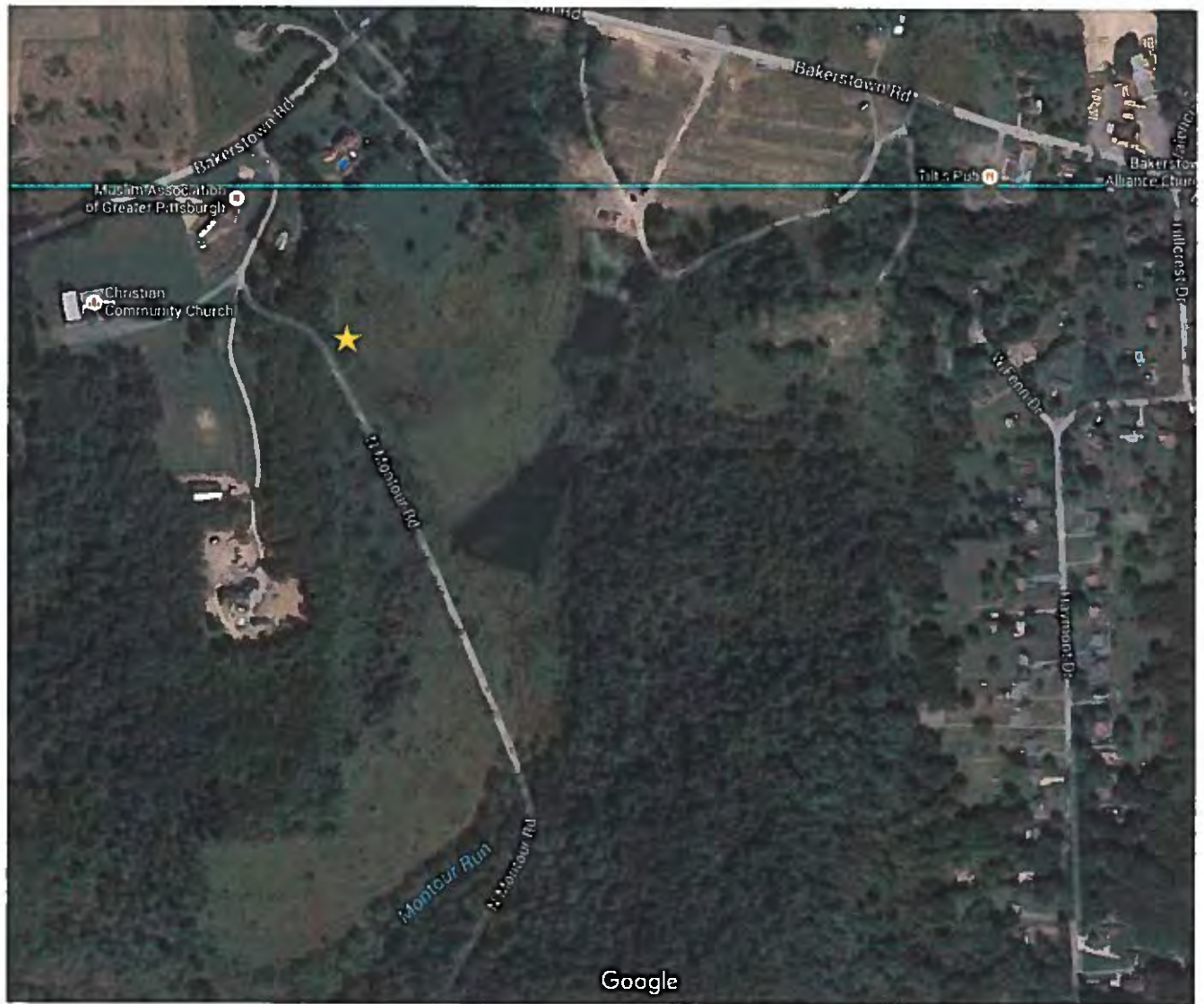
RICHLAND TOWNSHIP

SCALE 1" = 100'
 N
 DATE: JUNE 2016

OWNER:
 4137 BAKERSTOWN ROAD LLC
 5800 BROADWAY
 PITTSBURGH, PA 15201
 ALLEGHENY COUNTY

- NOTES:**
1. OVERALL SITE AREA: 148.71 ACRES
 PARCEL NORTH OF BAKERSTOWN ROAD (ZONED RC AND NOT PART OF THE PROJ) 12.04 ACRES
 PARCEL SOUTH OF BAKERSTOWN ROAD (ZONED RL AND NOT PART OF THE PROJ) 133.67 ACRES
 THE PROJ. AREA IS SHOWN IN THE PROJ. AREA AND IS NOT PART OF THE PROJ. AREA (NORTH MONTGOMERY ROAD)
 2. BASE TOPOGRAPHIC SURVEY INFORMATION IS BASED ON FILES PROVIDED BY THE PENNSYLVANIA SPATIAL DATA ACCESS (PASDA)
 3. NO FLOODPLAINS EXIST ON THIS SITE.
 4. THE TITLE SOURCE INFORMATION FOR THIS SITE:
 NF BAKERSTOWN ROAD, LLC
 8001 N. LOT
 2107-AJ-200





★ = Abandoned gas well location

PROJECT NARRATIVE

PROJECT #2: The Brethauer property.

PROJECT LOCATION: 420 Ridge Road, Richland Township, Allegheny County

OWNER: Mr. and Mrs. Charles and Paula Brethauer
420 Ridge Road
Valencia, PA 16059

HISTORY: The Brethauers have lived at their residence for over 20 years. In 2015, Mr. Brethauer discovered an abandoned gas well in the backyard approximately twenty (20) feet from his home, and contacted the PA DEP. In November of 2015, a PA DEP oil and gas inspector visited the site for inspection, and noted that it was venting gas with a noticeable petroleum odor. The inspector added it to the PA DEP's Orphan and Abandoned Wells list, and made recommendations for plugging. The Brethauers have given consent for Richland Township to include their well in this application.

WELL LOCATION: The well is located directly behind Mr. Brethauer's home, approximately twenty (20) feet from his back door. The location of this well is within a half-mile radius of approximately twenty-five (25) homes and a college campus in the Township.

ECONOMIC JUSTIFICATION TO REQUEST ASSISTANCE: The Brethauers are long-term Township residents who have recently reached retirement age, and for them to fund the plugging of the gas well themselves (estimated cost of \$125,000.00) isn't financially feasible. Richland Township has the knowledge and ability to submit the application and complete the project for the Brethauer family with adherence to relevant Federal and State statutes and regulations.

CONTRACTUAL CONSENT OF LANDOWNER

(I)(We), the undersigned, hereinafter sometimes referred to as "Owner", being the owner(s) of 1.06 acres of land located in Richland Township, Allegheny County as described in the deed(s) recorded in the Recorder of Deeds Office Book(s) and pages(s) 9060 - 5 and shown by crosshatched lines on the map attached hereto, **DO HEREBY GRANT TO THE TOWNSHIP OF RICHLAND (TOWNSHIP) AND ITS CONTRACTOR THE RIGHT TO ENTER UPON AND USE THE LAND FOR THE PURPOSES OF CONDUCTING WELL CLEAN OUT AND PLUGGING ACTIVITIES.** The Township desires to undertake activity described in the Plugging Project Job Description attached hereto pursuant to Section 210(e) of the Oil and Gas Act, 58 P.S. §601.210; The Clean Streams Law, 35 P.S. §§691.1-691.1001; and Section 1917(a) of The Administrative Code of 1929, 71 P.S. §510-17.

Furthermore, in consideration of the benefits to the general public and to the owner, (I), (we), the undersigned, grant to the Township of Richland, its employees, agents, contractors, and sub-contractors, the right to enter upon the aforesaid land, from the date of agreement, and before beginning the plugging activity(ies), during the plugging activity(ies) and for a period of one year after the completion or abandonment of the plugging activity(ies) for the purposes of inspecting the well and conducting the activities described in the attached Plugging Project Job Description and incidental thereto, and in accordance with the provisions of the Oil and Gas Act, the Clean Streams Law, the Administrative Code of 1929, and the rules and regulations promulgated thereunder, and the provisions of the permit(s) issued to the operator.

In addition, (I), (we) do hereby grant to the Township, for the aforesaid period of time, a right of entry across any adjoining or contiguous lands owned by (me) (us) in order to have access to the land described herein. It is specifically agreed and understood that this contractual consent gives the Township the right to enter and inspect the premises and abate or prevent pollution but does not obligate the Township to do so, does not constitute any ownership interest by the Township in the aforesaid land, and does not affect or limit any rights available to the Township under applicable law.

Owner agrees not to interfere with, damage, alter, or remove Plugging Project Work, or with any maintenance, monitoring or other work performed to assure successful completion of the Plugging Project Work. All tools, equipment and other property taken to or placed on the property by the Township or its representatives shall remain the property of the Township or its representatives and may be removed by them at any time.

Owner agrees to notify the Township in writing within thirty (30) days of any sale or transfer of the above-referenced property.

Owner specifically agrees not to hold the Township liable for any and all claims of damage or liability claims arising from the entry onto, the use of and egress from the property for implementation and conduct of the Plugging Project Work and for any subsequent maintenance, investigation or monitoring performed to assure successful completion of the Plugging Project Work. The well plugging contractor is required under its contract with the Township to have in place contractual liability insurance covering public and automotive bodily injury and property damage.

This consent places no obligation on the Township to undertake or complete the Plugging Project Work.

(Insert additional provisions/concerns or cross out)

In witness whereof and intending to legally bind (myself) (ourselves), (I) (we) have hereunto set (my) (our) hand(s) this 10th day of JUNE, 2016.

OWNER (INDIVIDUAL)

Paula J. Brethauer
Charles D. Brethauer

(Signature)(s)

PAULA J. BRETHAUER
CHARLES D. BRETHAUER

(Printed Name)(s)

420 RIDGE ROAD

(Address)

VALENCIA PA 16059

724-443-2254 / 724-612-4661

(Phone)

OWNER (CORPORATION)

By: _____

(Signature)

(Printed Name and Title)

(Address)

(Phone)

ATTEST:

Tina L. Shaw

(Signature)

TINA L. SHAW, Administrative
Assistant
Richland Twp

(Printed Name and Title)

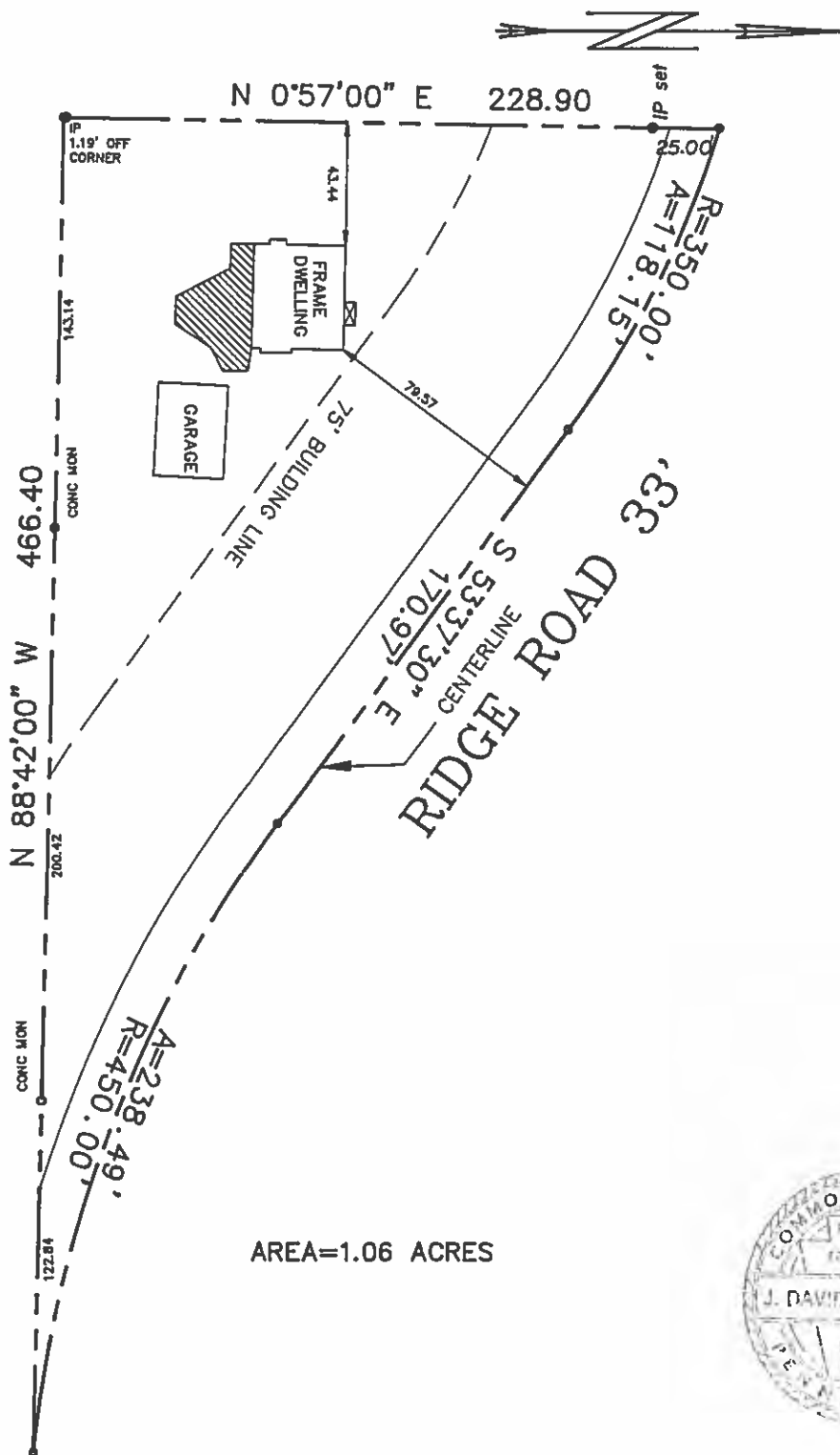
Attachment

1. Map

Contract BOGM _____

**GENERAL JOB DESCRIPTION
FOR ABANDONED WELL(S)
THAT ARE CLEANED OUT AND PLUGGED
BY THE TOWNSHIP OF RICHLAND**

1. The Township's contractor shall prepare the wells(s) for plugging and permanent abandonment, provide all the necessary equipment to construct a suitable access road(s), if (if needed), to the well(s) and construct well site(s) while exercising caution to avoid damage to adjacent buildings and properties.
2. The contractor shall provide for collection, safe storage and disposal of all liquids and wastes produced from the well during the clean out and plugging operation, and plug the well(s) in accordance with the requirements of the Oil and Gas Act, and other applicable measures as specified in the General Conditions for Construction.
3. All material, including pipe removed from the well(s), shall be disposed of off site by the contractor.
4. The contractor shall restore the site(s) by grading, leveling, and seeding, all well site areas, access roads and other areas disturbed by the plugging and clean up operations in a manner approved by the Township representative.



SURVEY OF PROPERTY

for
CHARLES D. BRETHAUER

SCALE 1"=50'

J. David Newcomer, PLS
Box 338, RD 4
Valencia, PA 16059

RICHLAND TOWNSHIP
ALLEGHENY COUNTY, PA

OCTOBER 25, 1991



★ = Abandoned gas well location

**DEP OFFICE OF OIL AND GAS MANAGEMENT
ORPHAN AND ABANDONED WELLS**

6/3/2016 11:21:52 AM

REGION :	COUNTY :	MUNICIPALITY :	AM :	WELL STATUS :	STATUS DATE :	PLUG COMPLETED DATE :	FAIRM :	WELL TYPE :	USED QUAD :	QUAD SECTION :	LATITUDE	LONGITUDE	LATITUDE (OFF SET)	LONGITUDE (OFF SET)	GPS LATITUDE	GPS LONGITUDE	LATITUDE DECIMAL	LONGITUDE DECIMAL
EP DOGO	Allegheny	Pine Twp	003-01233	DEP Plugged	01/01/2013	01/16/2012	VanDyke 1	Oil	Mapt	8			40° 39' 30.04"	-79° 57' 24.31"	40° 39' 30.04"	-79° 57' 24.31"	40.660011	-80.950169
EP DOGO	Allegheny	Pine Twp	003-01123	DEP Plugged	01/01/2013		Hu-Box 1	Undetermined	Gasport	5			40° 18' 28.582"	-79° 57' 15.734"	40° 18' 28.582"	-79° 57' 15.734"	40.324606	-79.954370
EP DOGO	Allegheny	Pine Twp	003-01126	DEP Abandoned LHM	01/01/2013		Pauletsbach 1	Gas	New Kensington West	9	40 1230	794500	11 750 00	2 200	40° 30' 23.897"	-79° 45' 28.48"	40.509413	-79.757911
EP DOGO	Allegheny	Pine Twp	003-01184	DEP Plugged	01/01/2013	03/27/2002	St John Capistran 1	Undetermined	Laurysville	5			40° 27' 2.78"	-79° 42' 14.892"	40° 27' 2.78"	-79° 42' 14.892"	40.450772	-79.704136
EP DOGO	Allegheny	Richland Twp	003-01134	DEP Plugged	01/01/2013		Robert Garrison 1	Undetermined	Valencia	8	402900	795500	9 490 00	5 880	40° 34' 26.22"	-79° 56' 18.27"	40.569616	-79.937852
EP DOGO	Allegheny	Richland Twp	003-01135	DEP Plugged	01/01/2013		Robert Garrison 2	Undetermined	Valencia	8	404000	795500	10 035 00	5 550	40° 34' 20.63"	-79° 56' 11.99"	40.569613	-79.936663
EP DOGO	Allegheny	Richland Twp	003-22375	DEP Abandoned LHM	01/27/2016		Personage Lot 1	Oil	Valencia	4			40° 40' 19.20"	-79° 57' 40.30"	40° 40' 19.20"	-79° 57' 40.30"	40.6720	-79.961194
EP DOGO	Allegheny	Richland Twp	003-00738	DEP Abandoned LHM	03/01/2016		Personage Lot 1	Oil	Outside	6			40° 26' 36.914"	-80° 8' 48.972"	40° 26' 36.914"	-80° 8' 48.972"	40.443337	-80.140660
EP DOGO	Allegheny	Richland Twp	003-01101	DEP Plugged	01/01/2013	08/11/2004	Clarence Nixon & Charles H. Nealon 1	Undetermined	Pittsburgh West	4			40° 26' 27.818"	-80° 5' 57.228"	40° 26' 27.818"	-80° 5' 57.228"	40.441060	-80.093702
EP DOGO	Allegheny	Richland Twp	003-01102	DEP Plugged	01/01/2013	09/22/2004	Clarence Nixon & Charles H. Nealon 2	Undetermined	Pittsburgh West	4			40° 26' 29.301"	-80° 5' 59.236"	40° 26' 29.301"	-80° 5' 59.236"	40.441472	-80.094241
EP DOGO	Allegheny	Richland Twp	003-01103	DEP Plugged	01/01/2013		Clarence Nixon & Charles H. Nealon 3	Undetermined	Pittsburgh West	4	402730	800500	6 750 00	3 000	40° 26' 24.360"	-80° 5' 57.228"	40.4401	-80.093702
EP DOGO	Allegheny	Richland Twp	003-01104	DEP Plugged	01/01/2013		Clarence Nixon & Charles H. Nealon 4	Undetermined	Pittsburgh West	4			40° 26' 26.336"	-80° 5' 59.916"	40° 26' 26.336"	-80° 5' 59.916"	40.406418	-80.094421
EP DOGO	Allegheny	Richland Twp	003-01108	DEP Plugged	01/01/2013	06/21/1996	McGarr-Henrichson 5	Undetermined	Outside	5			40° 26' 21.880"	-80° 10' 8.524"	40° 26' 21.880"	-80° 10' 8.524"	40.439414	-80.169312
EP DOGO	Allegheny	Richland Twp	003-01119	DEP Plugged	01/01/2013	09/11/1996	Levan-Henrichson 5	Undetermined	Outside	5			40° 26' 21.084"	-80° 10' 13.234"	40° 26' 21.084"	-80° 10' 13.234"	40.438745	-80.170342
EP DOGO	Allegheny	Richland Twp	003-01140	DEP Plugged	01/01/2013	02/11/2005	Hughes 1	Undetermined	Archbidge	3			40° 30' 21.606"	-80° 8' 31.208"	40° 30' 21.606"	-80° 8' 31.208"	40.506001	-80.142030
EP DOGO	Allegheny	Richland Twp	003-01154	DEP Plugged	01/01/2013	07/21/1999	Young 1	Gas	Outside	3			40° 28' 8.1270"	-80° 8' 10.218"	40° 28' 8.1270"	-80° 8' 10.218"	40.485590	-80.137843
EP DOGO	Allegheny	Richland Twp	003-01155	DEP Plugged	01/01/2013	06/03/1999	Monroe School 1	Oil	Pittsburgh West	1			40° 28' 3.9230"	-80° 6' 55.861"	40° 28' 3.9230"	-80° 6' 55.861"	40.467796	-80.115510
EP DOGO	Allegheny	Richland Twp	003-01182	DEP Plugged	01/01/2013		Phillips Property 1	Undetermined	Outside	8			40° 27' 17.40"	-80° 8' 21.590"	40° 27' 17.40"	-80° 8' 21.590"	40.454833	-80.139861

EXHIBIT 2 – WELL DATA SHEETS

Contract

WELL DATA SHEET

API No. 003-01269

Well Operator Unknown

Farm Name PGH Cut Flowers, #1

7 1/2" Topographic Map Location Valencia, Section 7
3,400' South, 40°40'00" Latitude
7,351' West, 79°57'30" Longitude
GPS Lat/Long 40°39'26.40" South, 79°59'05.40" West

Directions to Well

Well Location Well is in a field.

Casing 4 7/8 inch casing only visible with 2 inch tubing sitting on casing head.

Well condition No leaks or discharges noted.

Well-Being for Notification

01269

DEP USE ONLY	
Check #	Amount
050 99999	Slip Id# 768085
APS	Geol
Auth ID	Date
	Appr

Ident ID
40263

1/7/13 Identical

Not applicable

Within 60 days of DEP issuing a ~~stop work~~ order, the well operator must install the number on the well in a legible, conspicuous and permanent manner. If you are a surface property owner submitting notification of one or more abandoned wells on your property, provide what information you have about the wells.

API/Permit: 003-01269GPS Latitude: 40 39 26.40^N Quad Name: VolenciaFarm: PGH Cut FlowersGPS Longitude: 79 59 05.40^WQuad Section: 7Well #: 1

WELL TYPE:

STATUS:

Unk ☐ Inj ☐ Oil ☐ Gas ☐ Oil&Gas ☒Orphan ☐ Abandoned ☒County: Allegheny

DEP Rep:

Municipality: Richland Twp.Regional Office: SWDate: 5 Aug 2013

Check 1 Box (If No is checked, Go to Next Question)		Check 1 Box	List Sub Totals Below
1. Hazard? Fire, Explosion Asphyxiation Gas Migration	Yes: 10 <input checked="" type="checkbox"/> No: 0	Gas in structure: 10 Gas in water supply: 8 Venting to atmosphere: 7 Crude oil: 6	Possible 20 Points <u>0</u>
2. Environmental hazard?	Yes: 5 <input checked="" type="checkbox"/> Potential: 3 No: 0	Oil/brine to stream/wetland: 5 Oil/brine to water supply: 4 Oil to ground: 3 Brine to ground: 2 <input checked="" type="checkbox"/> Potential: 1	Possible 10 Points <u>4</u>
3. Known or visual problems? Jacks falling over, open holes, discharges, erosion etc.	Safety: 5 <input checked="" type="checkbox"/> Potential: 4 No: 0	Hazardous: 5 Bad: 4 Fair: 3 <input checked="" type="checkbox"/> Casing problem: 2	Possible 10 Points <u>6</u>
4. Fluid discharges?	Yes: 5 In the Past: 3 Potential: 3 <input checked="" type="checkbox"/> No: 0	Oil: 5 Brine: 4 Fresh water/iron: 3	Possible 10 Points <u>—</u>
5. Occupied building? <100 feet	Yes <50 feet: 5 Yes: 4 Future Construction: 3 <input checked="" type="checkbox"/> No: 0	Residential: 5 School: 5 Public/recreation: 4 Industrial: 3	Possible 10 Points <u>—</u>
6. Complaint?	<input checked="" type="checkbox"/> Yes: 5 Other: 3 No: 0	Safety: 5 <input checked="" type="checkbox"/> Environmental: 4	Possible 10 Points <u>9</u>
7. Water supply/ Groundwater affected?	Yes Private/Recreation: 5 Yes Public: 5 Groundwater: 4 Possible: 3 <input checked="" type="checkbox"/> No: 0	Gas: 5 Oil: 4 Brine: 3	Possible 10 Points <u>—</u>
8. Distance from surface waters <200 Feet?	Yes: 5 Roadside Ditch/Swale: 1 <input checked="" type="checkbox"/> No: 0	EV: 5 HQ: 4 Cold water fisheries: 3 Ponds/lakes/streams: 3	Possible 10 Points <u>—</u>
9. How do you rate this well with others in the same county?	High Priority: 5 Average: 3 <input checked="" type="checkbox"/> Low Priority: 2	Should be plugged ASAP: 5 <input checked="" type="checkbox"/> Can wait for contract: 3	Possible 10 Points <u>5</u>
10. Coal or other mining		Workable coal present: 10 Other mine present: 6	Possible 10 Points <u>—</u>

Remarks: add sheet, if neededTotal of possible 110 points 24

Attach: maps, photos, well records, leases

Include notes on: casing & tubing, total depth, site access, operator/owner name & contact info, last known operations/activities, directions to site, etc.

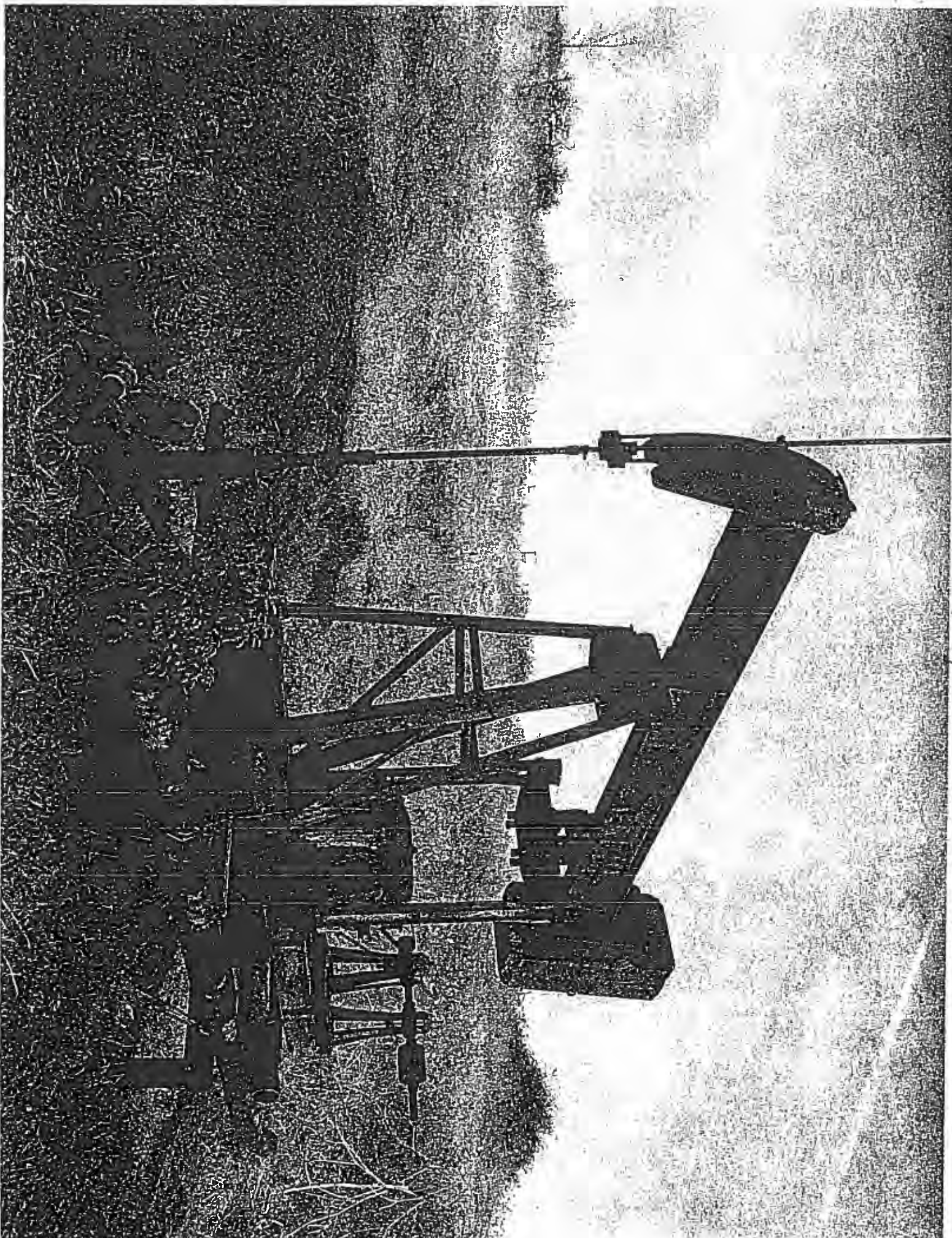


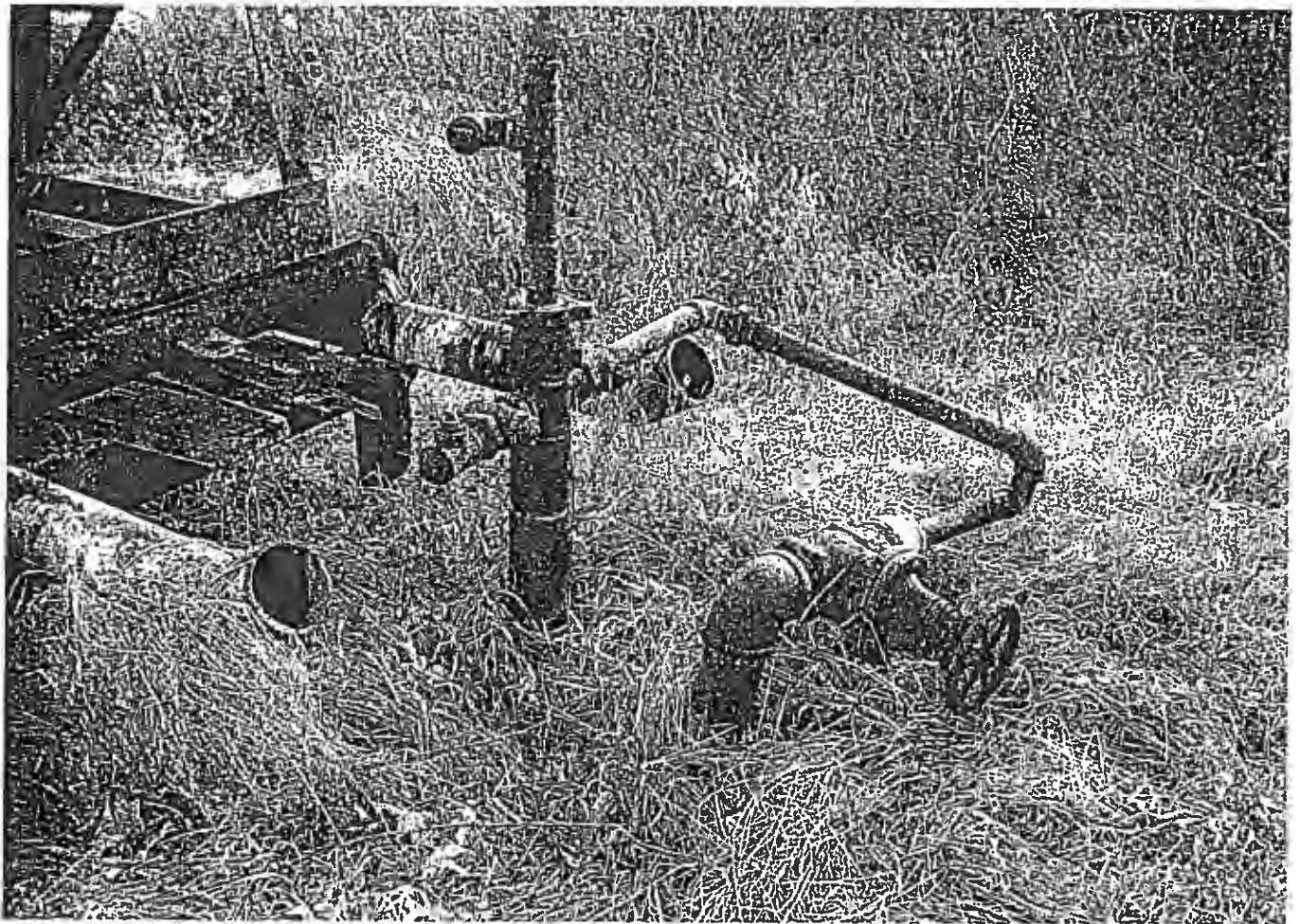
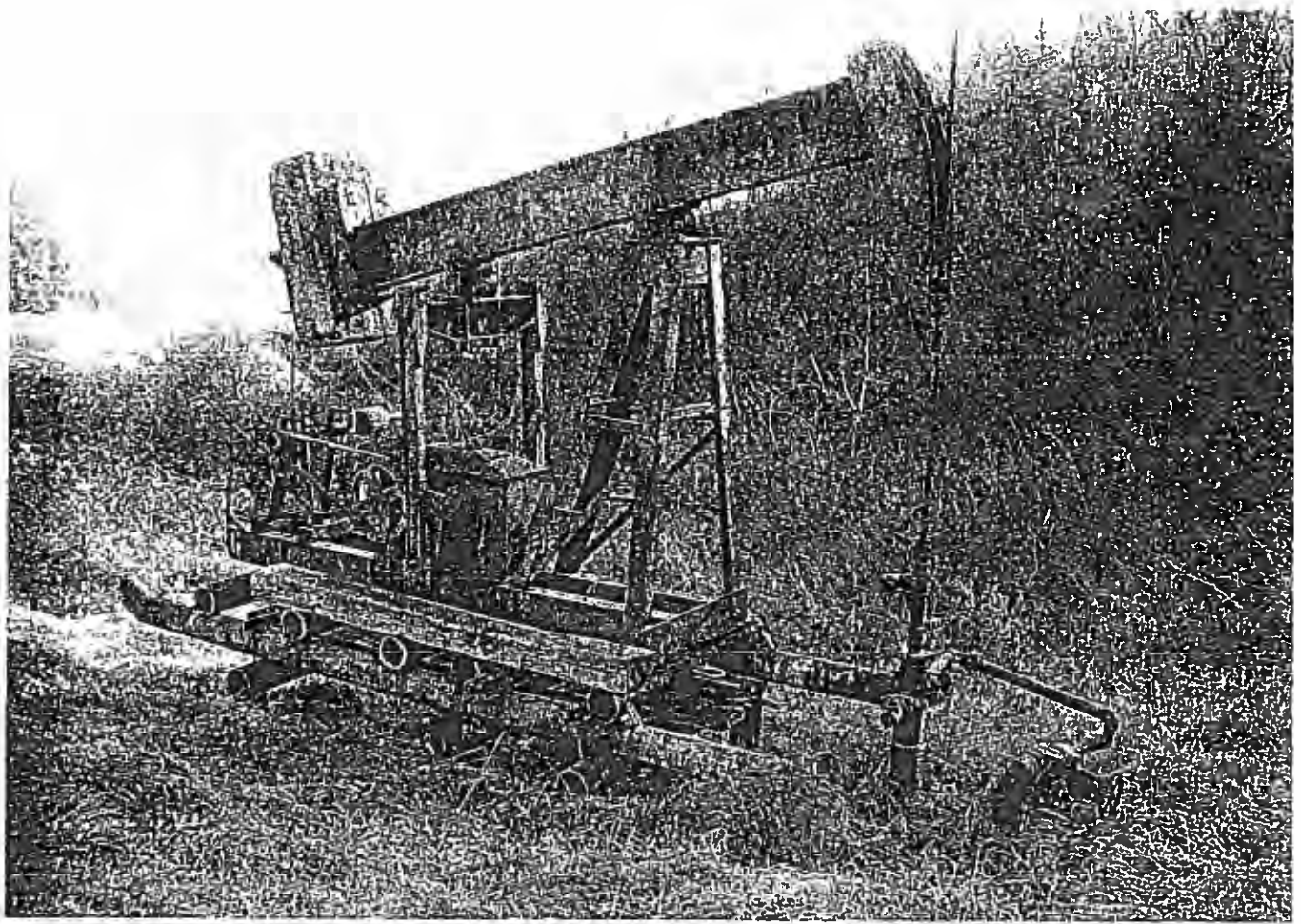
All rights reserved. Use Subject to License/Copyright

This map is informational only. No representation is made or warranty given as to its content. User assumes all risk of use. MapQuest and its suppliers assume no responsibility for any loss or delay resulting from such use.

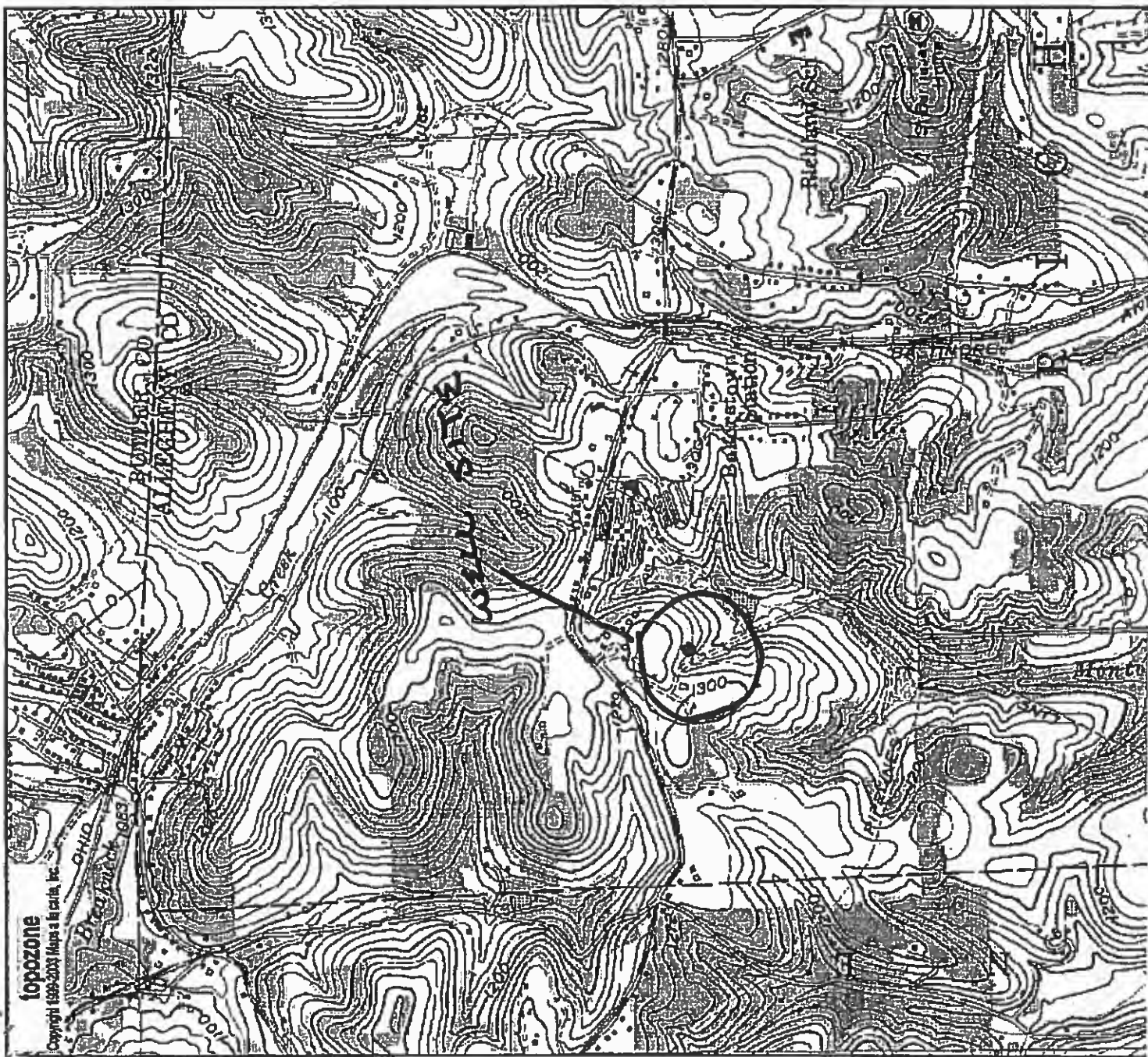
003 - 01269

003-01269





003-01269



003-01269

QUAD
VAUCLAY
52c

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OIL AND GAS MANAGEMENT PROGRAM

DEP USE ONLY	Inspection Record # 2424425
Complaint Record #	Enforcement Record #

INSPECTION REPORT

DEP Office Address	District Oil & Gas Operations	Phone (412) 442-4000	Permit or Reg. #: 003-22375
	400 Waterfront Drive		Project #:
	Pittsburgh, PA 15222		Farm & #: Brethauer #1
Oper Name Address			County: Allegheny
			Municipality: Richland
			Latitude: 40 °40'19.20" N
			Longitude: 79 ° 57'40.30" W

Inspection Code:
 ☐ BDREL – Bond Release
 ☐ DRALT – Drilling or Alteration
 ☐ RDSPR – Road Spreading
☐ CEI – Compliance Evaluation
 ☐ FLWUP - Following
 ☐ RESTR – Site Restoration
☐ COMPL – Complaint Inspection
 ☐ PLUG – Plugging
 ☒ RTNC - Routine

Other: ☐ Permit Expired ☐ Alt/Meth. ☐ Annulus Open ☐ Cement Returns ☐ Recommend Bond Release

Location	Insp.	Violation	Driller's Log Information		Depth:		
Site ID Sign	<input type="checkbox"/>	<input type="checkbox"/>	Fresh Water	Salt Water	Coal	Formation	
Well Tag	<input type="checkbox"/>	<input type="checkbox"/>	Amt / Depth	Amt / Depth	Thickness / Depth	Oil / Depth	Gas / Depth
Distance Restrict	<input type="checkbox"/>	<input type="checkbox"/>					
E/S Plan on Site	<input type="checkbox"/>	<input type="checkbox"/>					
E/S Controls	<input type="checkbox"/>	<input type="checkbox"/>					
Encroachments	<input type="checkbox"/>	<input type="checkbox"/>					
Site Restoration	<input type="checkbox"/>	<input type="checkbox"/>					
	<input type="checkbox"/>	<input type="checkbox"/>					
	<input type="checkbox"/>	<input type="checkbox"/>	Drilling / Plugging				
Drilling-Plugging			Filling Material & Plugs		From	To	Casing & Tubing
Notification	<input type="checkbox"/>	<input type="checkbox"/>					Size Pulled Left
B.O.P.	<input type="checkbox"/>	<input type="checkbox"/>					
Casing	<input type="checkbox"/>	<input type="checkbox"/>					
Monument	<input type="checkbox"/>	<input type="checkbox"/>					
	<input type="checkbox"/>	<input type="checkbox"/>					
Waste Mgmt.	<input type="checkbox"/>	<input type="checkbox"/>					
Top Hole Water	<input type="checkbox"/>	<input type="checkbox"/>					
Fluids Mgmt.	<input type="checkbox"/>	<input type="checkbox"/>					
Impoundment/pit	<input type="checkbox"/>	<input type="checkbox"/>					
Pollution Prevent.	<input type="checkbox"/>	<input type="checkbox"/>					
Residual Waste	<input type="checkbox"/>	<input type="checkbox"/>	Compliance Assistance	Code	Code	Inspection Results	Code AENO

Remarks:

11/5/15 Inspection: Wellhead was found by homeowner beneath buried, overturned painting bucket. Well is open 4" casing inside 6" casing, w/ cemented annulus and is ~ two feet below ground level. Well is venting gas, with noticeable petroleum odor. Gas reading (62-S) inside 4" casing was 8% methane, 100 % LEL. Homeowner extended 4" plastic pipe to surface and placed screen in opening to vent well. Wellhead is ~ two feet from modern concrete block well pit (under roofing to right of well vent in photo) 6 ft. x 6 ft., 7 ft. deep, containing well pressure tank and water conditioner equipment.

Sample No.	Location/Description	DEP Rep:	
		(signature) <i>Mark Barnes</i>	Date: 11/5/2015
		(print name) Mark Barnes	Time: 16:16

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OIL AND GAS MANAGEMENT PROGRAM

DEP USE ONLY	Inspection Record #
Complaint Record #	Enforcement Record #

INSPECTION REPORT (Continued)

Remarks (Continued):



Please type or print.

Auth ID	Date	Appr
---------	------	------

Use this form to report abandoned wells. (A property owner is not subject to bonding and plugging requirements nor the registration fee for notifying DEP of an abandoned well, provided the owner of the surface real property on which the abandoned well is located did not participate in or incur costs in the drilling or extraction operation of the abandoned well, and had no right of control over the drilling or extraction operation of the abandoned well.)

Please group wells by county. Use a separate form to list wells in each different county.

[illegible]

1. Well locations plotted on a 7½ minute topographic map.
2. Driller's log, if available.
3. Abandoned Well Investigation Form.
4. Include additional well information available with this sheet.

**BUREAU OF OIL AND GAS MANAGEMENT
ABANDONED WELL INVESTIGATION**

Investigator: Mark Barnes SRF: _____
Date Investigated: 11/5/15 If No API Number, Check Box: ☐ Permit/Reg. No.: 003-22375
Follow Up: _____ Project No.: _____
Follow Up: _____ Farm/Well No.: Brethauer #1
Well Type: Oil & Gas County: Allegheny
Total Depth: Unknown Municipality: Richland
Watershed: _____ EV ☐ HQ ☐

Location Data:

GPS Coordinates: Latitude: 40° 40' 19.20" N Longitude: 79° 57' 40.30" W
Quad Name (7.5'): Valencia Section Number: 4
Latitude: _____° _____' _____" N Offset: _____
Longitude: _____° _____' _____" W Offset: _____

Last Known Operator: Unknown Operator Telephone No.: Unknown
Date/Last known Operations or Activities:
Unknown

Current Surface Owner: Charles Brethauer Owner Telephone No.: 724-443-2254
420 Ridge Road
Valencia, PA, 16059

Describe problems and conditions found (safety, water supply, seeps, discharges, caving, well integrity, environmental damage, etc.). Be specific and detailed. Add extra sheets if necessary: Well is open 4" casing inside 6" casing. w/ cemented annulus and is ~ two feet below ground level. Well is venting gas, with noticeable petroleum odor. Gas reading (62-S) inside 4" casing was 8% methane. 100 % LEL. Homeowner extended 4" plastic pipe to surface and placed screen in opening to vent well.

Is well discharging oil, gas or water? Gas Estimated Amount: Small amount w/ oil smell

List of well file and projects investigated: DEP & DCNR files

**BUREAU OF OIL AND GAS MANAGEMENT
ABANDONED WELL INVESTIGATION**

Permit/Registration,

Farm/Well No. Brethauer #1

Casing and tubing, : Below surface, visible through owner-installed vent, possibly 4" & 6" casings.

Well Site Access, (Check all that apply):

- a. No Road ☐, Existing Road ☒
- b. Forested ☐, Residential ☒, Field ☐
- c. Steep Incline ☐, Level Surface ☒
- d. Wet or Swampy Area ☐, Dry ☒
- e. Stream or wetland encroachment ☐

Site Access Comments: Access is affected by well proximity to the deck of residence, water well cellar and tree.

Source of Information: On site inspection

On Site Equipment: None

Other Comments: Possible second buried gas well within 10 feet of this well. currently not vented.

Is this investigation the result of a complaint? ☐ Yes ☒ No

If yes, by whom? _____

If no, how was it discovered? by whom? Phone call by home owner reporting well.

Is this an Emergency? ☐ Yes ☒ No

If yes, Emergency Plugging Plan must be followed & Emergency Plugging Form must be completed.

Attachments: ☐ Well Record
☐ Sample Results
☒ Maps
☐ Lease
☒ Photographs
☐ Other

Mark Barnes

Investigator

11/10/15

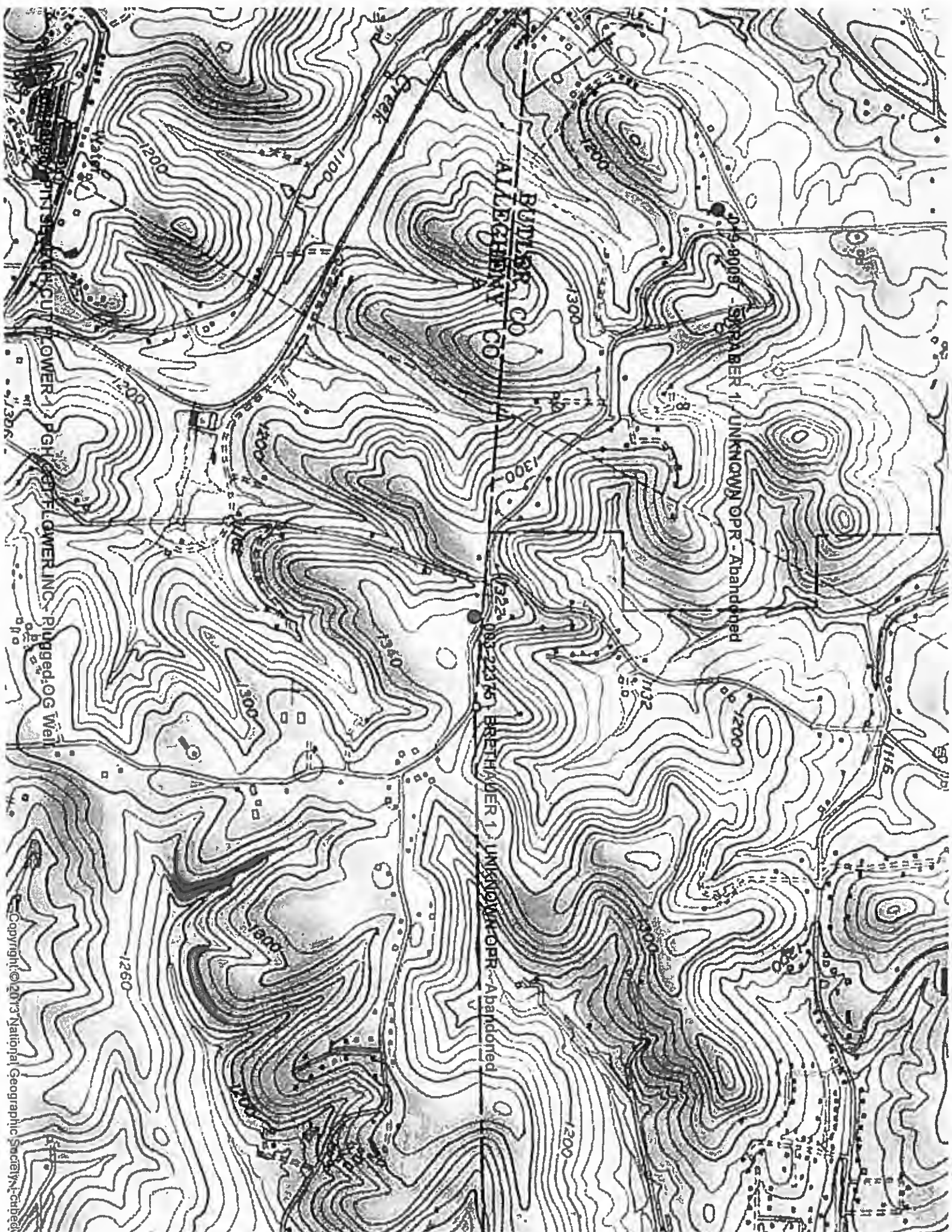
Date Filed

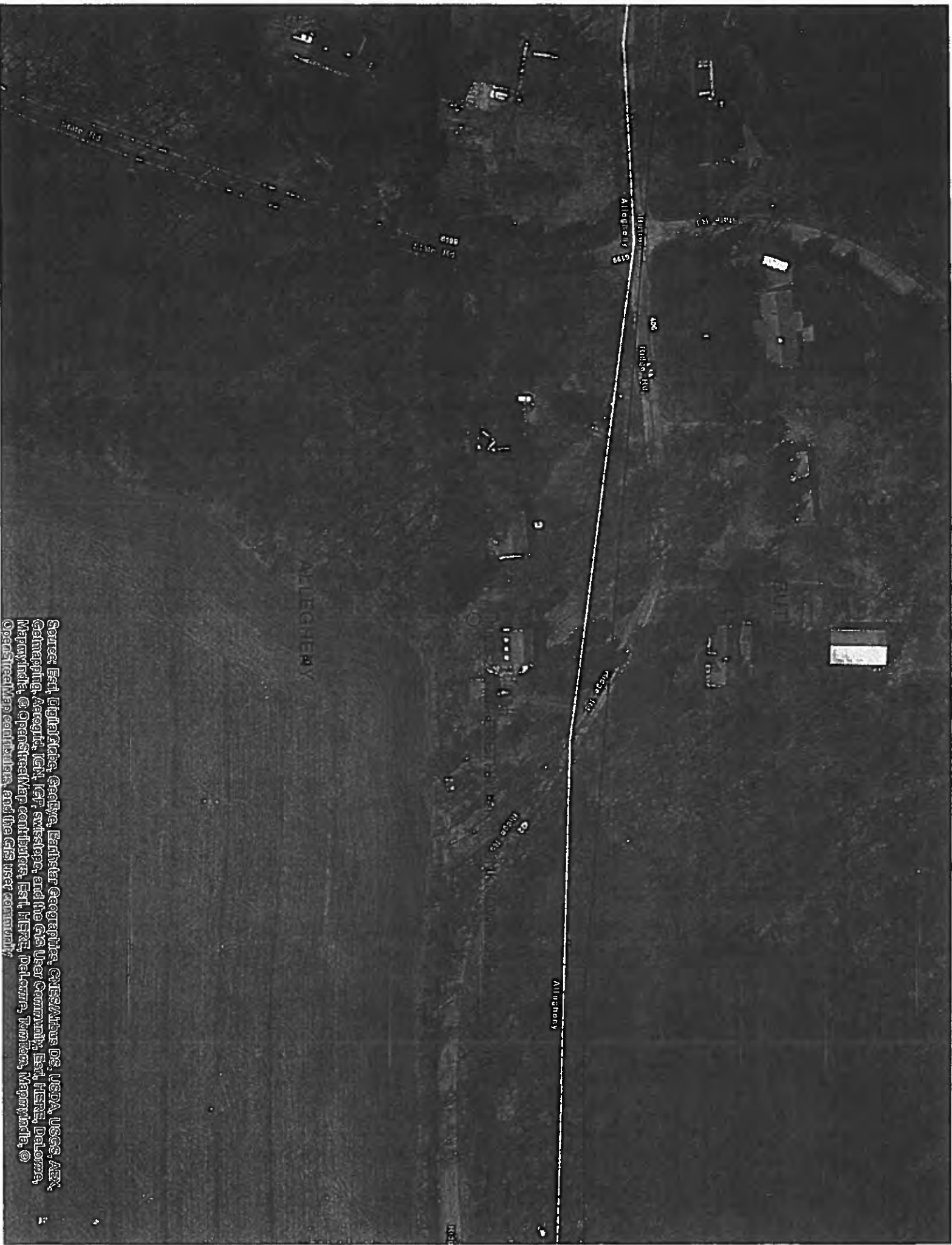
DEP OFFICE OF OIL AND GAS MANAGEMENT WELL SCORING SHEET

API/Permit: 003 -22375		GPS Latitude: 40 40 19.20 N		Quad Name: Valencia	
Farm: Brethauer		GPS Longitude: 79 57 40.30 W		Quad Section: 4	
Well #: 1		WELL TYPE:		STATUS:	
		Unk <input type="checkbox"/> Inj <input type="checkbox"/> Oil <input type="checkbox"/> Gas <input type="checkbox"/> Oil&Gas <input checked="" type="checkbox"/>		Orphan <input type="checkbox"/> Abandoned <input checked="" type="checkbox"/>	
County: Allegheny		DEP Rep: Mark Barnes			
Municipality: Richland		Regional Office: Pittsburgh		Date: 11/10/15	

Check 1 Box (If No is checked, Go to Next Question)			Check 1 Box		List Sub Totals Below
1. Hazard? Fire, Explosion Asphyxiation Gas Migration	10	Yes: 10		Gas in structure: 10	Possible 20 Points 17
		No: 0		Gas in water supply: 8	
			7	Venting to atmosphere: 7	
				Crude oil: 6	
2. Environmental hazard?		Yes: 5		Oil/brine to stream/wetland: 5	Possible 10 Points 7
	3	Potential: 3		Oil/brine to water supply: 4	
		No: 0	3	Oil to ground: 3	
				Brine to ground: 2 Potential: 1	
3. Known or visual problems? Jacks falling over, open holes, discharges, erosion etc.	5	Safety: 5	5	Hazardous: 5	Possible 10 Points 10
		Potential: 4		Bad: 4	
		No: 0		Fair: 3	
				Casing problem: 2	
4. Fluid discharges?		Yes: 5	5	Oil: 5	Possible 10 Points 8
		In the Past: 3		Brine: 4	
	3	Potential: 3		Fresh water/iron: 3	
		No: 0			
5. Occupied building? <100 feet	5	Yes <50 feet: 5	5	Residential: 5	Possible 10 Points 10
		Yes: 4		School: 5	
		Future Construction: 3		Public/recreation: 4	
		No: 0		Industrial: 3	
6. Complaint?		Yes: 5	5	Safety: 5	Possible 10 Points 8
	3	Other: 3		Environmental: 4	
		No: 0			
7. Water supply/ Groundwater affected?		Yes Private/Recreation: 5	5	Gas: 5	Possible 10 Points 9
		Yes Public: 5		Oil: 4	
	4	Groundwater: 4		Brine: 3	
		Possible: 3 No: 0			
8. Distance from surface waters <200 Feet?		Yes: 5		EV: 5	Possible 10 Points 0
		Roadside Ditch/Swale: 1		HQ: 4	
	0	No: 0		Cold water fisheries: 3	
				Ponds/lakes/streams: 3	
9. How do you rate this well with others in the same county?	5	High Priority: 5		Should be plugged ASAP: 5	Possible 10 Points 8
		Average: 3	3	Can wait for contract: 3	
		Low Priority: 2			
10. Coal or other mining				Workable coal present: 10	Possible 10 Points
				Other mine present: 6	

Remarks: add sheet, if needed		Total of possible 110 points 77
Wellhead was found by homeowner beneath buried, overturned painting bucket. Well is open 4" casing inside 6" casing, w/ cemented annulus and is ~ two feet below ground level. Well is venting gas, with noticeable petroleum odor. Gas reading (62-S) inside 4" casing was 8% methane, 100 % LEL. Homeowner extended 4" plastic pipe to surface and placed screen in opening to vent well. Wellhead is ~ two feet from modern concrete block well pit (under roofing to right of well vent in photo) 6 ft. x 6 ft., 7 ft. deep, containing well pressure tank and water conditioner equipment.		
<i>Attach: maps, photos, well records, leases</i>		
Include notes on: casing & tubing, total depth, site access, operator/owner name & contact info, last known operations/activities, directions to site, etc.		





Sources: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroX, GeoMapping, AeroGRID, IGN, IGP, swisstopo, and the GIS User Community. Esri, HERE, DeLorme, Mapbox, and the GIS user community.

CFA Grant Candidate Wells
Richland Twp., Allegheny Co.

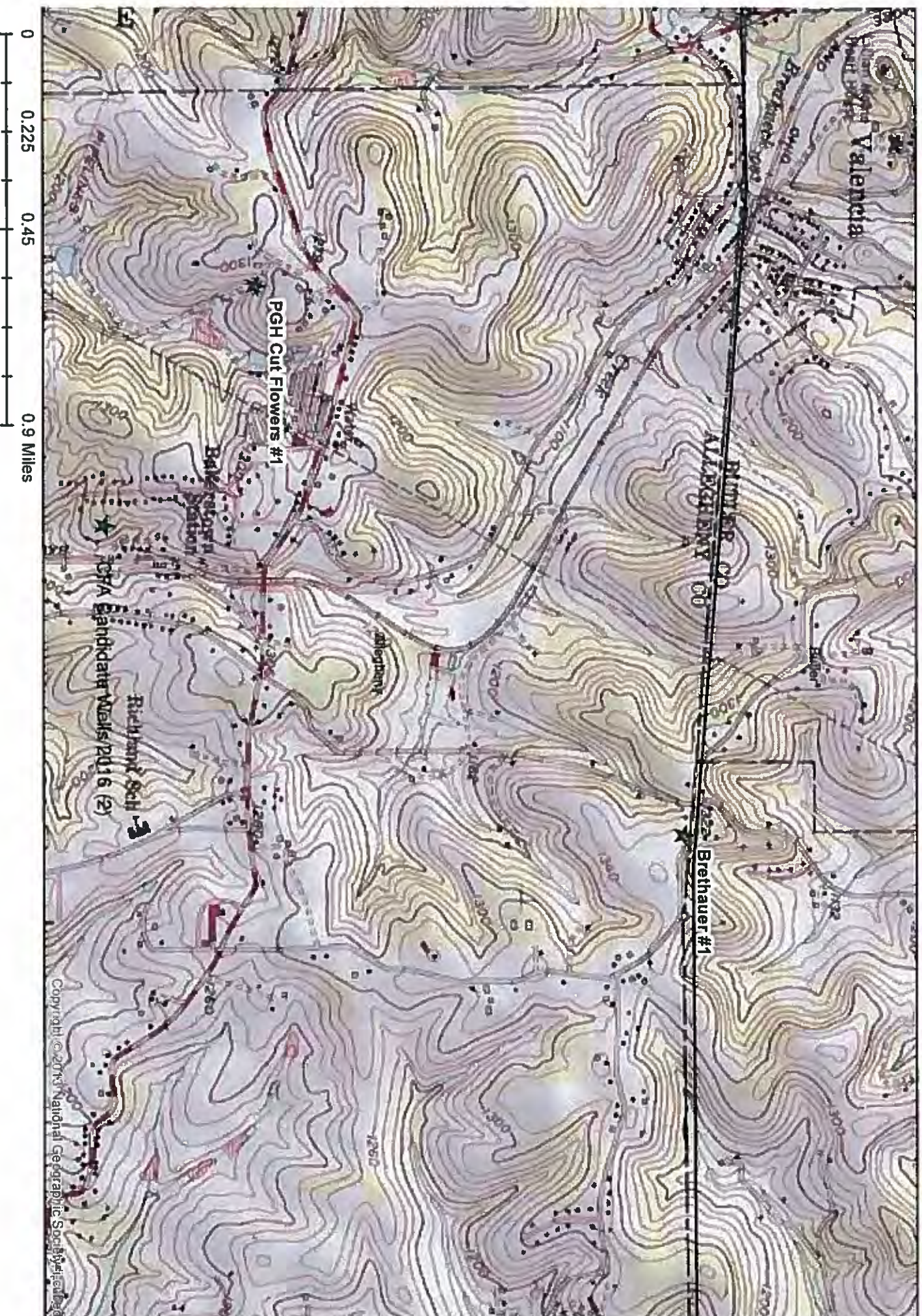


EXHIBIT 3 – DETAILED CONSTRUCTION COST ESTIMATE

Well Plugging Services Budget

Well Site #1: former Pittsburgh Cut Flower property

Well Site #2: Charlie Brethauer's property

Location: Richland Township, Allegheny County

Charges and Services

(Based on estimates obtained from experienced well-plugging companies identified by DEP officials)

Site Preparation, Site Restoration, Plugging Operations	Unit	Quantity	Amount
Equipment			
Service Rig & Rig Stand-by Time	Hour	180	\$36,000.00
Truck & Flat Trailer	Hour	20	\$2,500.00
Tractor Trailer	Hour	30	\$4,500.00
Flat-bed Truck	Hour	30	\$3,750.00
Tank Truck	Hour	30	\$3,000.00
Dump Truck	Hour	20	\$2,000.00
Dozer	Hour	20	\$2,000.00
Backhoe	Hour	20	\$2,000.00
Logging Truck	Hour	80	\$20,000.00
Power Swivel, Mud Pump, Working String	Hour	40	\$4,000.00
Excavator	Hour	75	\$7,500.00
Water Pump Rental	Day	10	\$1,500.00
Labor			
Operations Manager	Hour	250	\$25,000.00
Crew Labor	Hour	250	\$18,750.00
Travel	Hour	50	\$5,000.00
Water and Waste Disposal			
Fresh Water Hauled	Hour	40	\$8,000.00
Water Disposal	Load	TBD	\$5,000.00
Dumpster	Dumpster	2	\$5,000.00
Materials			
Cement	Sack	1600	\$42,500.00
Tubing and Plugs	Load	6	\$12,000.00
Conductor Pipe	Feet	120	\$3,000.00
Landscaping and Site Restoration			
Topsoil	Load	2	\$6,000.00
Fertilizer	Sack	20	\$500.00
Seed	Sack	3	\$300.00
Straw	Bale	30	\$300.00
Excavation	Hour	20	\$2,000.00
Misc.			
Pressure Washer Rental	Hour	12	\$1,200.00
Pressure Wash House/Porch	Hour	12	\$1,200.00
Tree Removal	Tree	1	\$2,000.00
Gas Line Removal and Replacement	Line	1	\$2,500.00

Applicable Permits	N/A	N/A	\$4,000.00
Total			\$233,000.00
5% - Contingency			\$11,650.00
2% - Administrative Costs (advertising, engineering, legal)			\$4,660.00
Grand Total			\$249,310.00

EXHIBIT 4 – CONSTRUCTION DRAWINGS

A set of construction drawings is not available due to the lack of information on both wells. The contractor will only be able to determine which plugging methods are proper once they are on site and determine the condition of both wells.

Erosion and sediment control barrier drawings are attached.

The plugging of the wells will be performed in accordance with Title 25 Chapter 78 of the Pennsylvania Code. The specific sections on plugging are attached.

A detailed cost estimate is included in Exhibit 3.

Site #1: former Pittsburgh Cut Flower Company



<p>Drafted by: Richland Township 4019 Dickey Road Gibsonia, PA 15044</p>	<p>Well Erosion and Sediment Control Layout – Pittsburgh Cut Flower site</p>	<p>Richland Township, Allegheny County, Pennsylvania Date: 6/13/2016</p>
--	--	---

Site #2: Mr. and Mrs. Charles Brehtauer's property



<p>Drafted by: Richland Township 4019 Dickey Road Gibsonia, PA 15044</p>	<p>Well: 003-00322375 – Erosion and Sediment Control Layout</p> <p>Mr. and Mrs. Charles and Paula Brethauer</p>	<p>Richland Township, Allegheny County, Pennsylvania</p> <p>Date: 6/13/2016</p>
--	---	---

- (1) Conduct additional monitoring.
- (2) Document findings.
- (3) Submit a closure report.

(g) If concentrations of stray natural gas are detected inside a building or structure at concentrations equal to or greater than 10% of the L.E.L., the operator and owner shall file a report with the Department by phone and email within 24 hours after the interview with the complainant and field survey of the extent of stray natural gas. Additional daily or weekly reports shall be submitted if requested by the Department.

(h) For all stray natural gas migration incidents, a final written report documenting the results of the investigation shall be submitted to the Department for approval within 30 days of the close of the incident, or in a time frame otherwise approved by the Department. The final report must include the following:

- (1) Documentation of all results of the investigation, including analytical data and monitoring results.
- (2) Operational changes established at the operator's oil and gas wells in this Commonwealth.
- (3) Measures taken by the operator to repair any defects at any of the investigated oil and gas wells.
- (i) Reports submitted in accordance with this section that contain an analysis of geological or engineering data shall be prepared and sealed by a geologist or engineer licensed in this Commonwealth.

Source

The provisions of this § 78.89 adopted February 4, 2011, effective February 5, 2011, 41 Pa.B. 805.

PLUGGING

§ 78.91. General provisions.

(a) Upon abandoning a well, the owner or operator shall plug the well under §§ 78.92—78.98 or an approved alternate method under section 211 of the act (58 P. S. § 601.211) to stop the vertical flow of fluids or gas within the well bore unless one of the following applies:

- (1) The Department has granted inactive status under §§ 78.101—78.105 (relating to inactive status).
- (2) The well is part of a plugging schedule that has been approved by the Department and the operator is complying with that schedule, and the schedule takes into account potential harm that the well poses to the environment or public health and safety.
- (3) The Department has approved the identification of the well as an orphan well under section 203 of the act (58 P. S. § 601.203), and the Department has not determined a prior owner or operator received economic benefit after April 18, 1979, from this well other than economic benefit derived only as a landowner or from a royalty interest.

(b) The operator shall plug a well where a radioactive logging source has been lost under §§ 78.92—78.98 and 78.111.

(c) When a well is being plugged from the attainable bottom, the operator shall install a 50-foot plug of cement at the attainable bottom and plug the remainder of the well under §§ 78.92—78.98.

(d) If the production casing cannot be retrieved, the operator shall plug strata bearing or having borne oil, gas or water by perforating the casing and squeezing cement into the annulus or other method approved by the Department. The maximum distance the stub of the uncemented production casing may extend is 100 feet below the surface casing seat or coal protective casing seat, whichever is deeper. The uncemented portion of the casing left in the well above the total depth or attainable bottom may not extend through a formation bearing or having borne oil, gas or water or extend to a point where it interferes with subsequent plugging requirements of §§ 78.92(a)(2) and 78.93(a)(2) and (b)(4) (relating to wells in coal areas—surface or coal protective casing is cemented; and wells in coal areas—surface or coal protective casing anchored with a packer or cement). The remainder of the well shall be plugged under §§ 78.92—78.98.

(e) When plugging a well, an operator shall insure that no gases are present in the well in an amount that could interfere with cementing the well.

(f) When plugging a well with a casing string cemented through a gas storage reservoir or reservoir protective area, an operator shall use bridge plugs immediately above and below the gas storage reservoir unless an alternate plugging plan has been approved by the Department.

(g) When a well located in a coal area is plugged to allow mining through it, the person authorized by the Department to plug the well under the act or section 13 of the Coal and Gas Resource Coordination Act (58 P. S. § 513) shall clean out the gas well to a depth of at least 200 feet below the coal seam which will be mined and, unless impracticable, to a point 200 feet below the deepest minable coal seam the well penetrates.

(h) In lieu of the plugging requirements of §§ 78.92—78.95 and 78.97, an operator may cement a well from the total depth or attainable bottom to the surface. Wells in coal areas still shall meet the venting requirements of § 78.92 or § 78.93 (relating to wells in coal areas—surface or coal protective casing is cemented; and wells in coal areas—surface or coal protective casing anchored with a packer or cement).

Source

The provisions of this § 78.91 adopted July 28, 1989, effective July 29, 1989, 19 Pa.B. 3229; amended December 16, 1994, effective December 17, 1994, 24 Pa.B. 6284; amended March 6, 1998, effective March 7, 1998, 28 Pa.B. 1234; amended March 30, 2001, effective March 31, 2001, 31 Pa.B. 1736. Immediately preceding text appears at serial pages (241923) to (241924).

Cross References

This section cited in 25 Pa. Code § 78.86 (relating to defective casing or cementing); 25 Pa. Code § 78.92 (relating to wells in coal areas—surface or coal protective casing is cemented); 25 Pa. Code § 78.93 (relating to wells in coal areas—surface or coal protective casing anchored with a packer or cement); 25 Pa. Code § 78.94 (relating to wells in noncoal areas—surface casing is not cemented or not present); 25 Pa. Code § 78.95 (relating to wells in noncoal areas—surface casing is cemented); and 25 Pa. Code § 78.407 (relating to plugging gas storage wells).

§ 78.92. Wells in coal areas—surface or coal protective casing is cemented.

(a) In a well underlain by a workable coal seam, where the surface casing or coal protective casing is cemented and the production casing is not cemented or the production casing is not present, the owner or operator shall plug the well as follows:

(1) The retrievable production casing shall be removed by applying a pulling force at least equal to the casing weight plus 5,000 pounds or 120% whichever is greater. If this fails, an attempt shall be made to separate the casing by cutting, ripping, shooting or other method approved by the Department, and making a second attempt to remove the casing by exerting a pulling force equal to the casing weight plus 5,000 pounds or 120% of the casing weight, whichever is greater. The well shall be filled with nonporous material from the total depth or attainable bottom of the well, to a point 50 feet below the lowest stratum bearing or having borne oil, gas or water. At this point there shall be placed a plug of cement, which shall extend for at least 50 feet above this stratum. Each overlying formation bearing or having borne oil, gas or water shall be plugged with cement a minimum of 50 feet below this formation to a point 50 feet above this formation. The zone between cement plugs shall be filled with nonporous material. The cement plugs shall be placed in a manner that will completely seal the hole. The operator may treat multiple strata as one stratum and plug as described in this subsection with a single column of cement or other materials approved by the Department. Where the production casing is not retrievable, the operator shall plug that portion of the well under § 78.91(d) (relating to general provisions).

(2) After plugging strata bearing or having borne oil, gas or water, the well shall be filled with nonporous material to a point approximately 100 feet below the surface or coal protective casing seat, whichever is deeper. At this point, a 100-foot plug of cement shall be installed.

(3) After the plug has been installed below the casing seat, the inner casing shall be emptied of liquid from the surface to the plug of cement. A vent or other device approved by the Department shall then be installed on top of the inner string of casing to prevent liquids and solids from entering the well but permit access to the full internal diameter of the inner casing when required. The vent or other device approved by the Department must extend, when finally in place, a distance of at least 72 inches above ground level and the permit or registration number must be permanently affixed.

(b) The owner or operator shall plug a well, where the surface casing, coal protective casing and production casing are cemented, as follows:

(1) If the total depth or attainable bottom is deeper than the cemented production casing seat, the operator shall plug that portion of the well under subsection (a)(1).

(2) Cement plugs shall be set in the cemented portion of the production casing so that the plugs will extend from at least 50 feet below each stratum bearing or having borne oil, gas or water, to a point at least 100 feet above each stratum bearing or having borne, oil, gas or water. A Department-approved mechanical plug may be set 20 feet above each stratum bearing or having borne oil, gas or water as a substitute for the plug of cement. Nonporous material must separate each cement plug or mechanical plug. The operator may treat multiple strata as one stratum and plug as described in this subsection with a single column of cement or other materials as approved by the Department.

(3) Following the plugging of the cemented portion of the production casing, the uncemented portion of the production casing shall be separated from the cemented portion and retrieved by applying a pulling force at least equal to the casing weight plus 5,000 pounds or 120% whichever is greater. If this fails, an attempt shall be made to separate the casing by cutting, ripping, shooting or other method approved by the Department, and making a second attempt to remove the casing by exerting a pulling force equal to the casing weight plus 5,000 pounds or 120% of the casing weight, whichever is greater. The maximum distance the stub of the uncemented portion of the production casing may extend is 100 feet below the surface or coal protective casing whichever is lower. In no case may the uncemented portion of the casing left in the well extend through a formation bearing or having borne oil, gas or water. Other stratum above the cemented portion of the production casing bearing or having borne oil, gas or water shall be plugged by filling the hole with nonporous material to 20 feet above the stratum and setting a 50-foot plug of cement. The operator may treat multiple strata as one stratum and plug as described in this subsection with a single column of cement or other material as approved by the Department. When the uncemented portion of the production casing is not retrievable, the operator shall plug that portion of the well under § 78.91(d).

(4) After plugging all strata bearing or having borne oil, gas or water, the well shall be filled with nonporous material to a point approximately 100 feet below the surface or coal protective casing seat, whichever is deeper. At this point a 200-foot cement plug shall be placed so that the plug extends from 100 feet below the casing seat to a point at least 100 feet above the casing seat.

(5) After the 200-foot plug has been installed, the remainder of the well shall be plugged and vented as described in subsection (a)(3).

(c) A person authorized by the Department under the act or section 13 of the Coal and Gas Resource Coordination Act (58 P. S. § 513) to plug a gas well that penetrates a workable coal seam that was drilled prior to November 30, 1955, or

which was permitted after that date but not plugged in accordance with the act, shall plug the well to mine through it in the following manner:

- (1) The gas well shall be cleaned out to a depth of at least 200 feet below the coal seam which is proposed to be mined and, unless impracticable, to a point 200 feet below the deepest mineable coal seam that the well penetrates.
- (2) The gas well shall be plugged in accordance with section 13(a)(1), (2), (3) or (4) of the Coal and Gas Resource Coordination Act.

Source

The provisions of this § 78.92 adopted July 28, 1989, effective July 29, 1989, 19 Pa.B. 3229; amended December 16, 1994, effective December 17, 1994, 24 Pa.B. 6284; amended March 30, 2001, effective March 31, 2001, 31 Pa.B. 1736; amended February 4, 2011, effective February 5, 2011, 41 Pa.B. 805. Immediately preceding text appears at serial pages (276333) to (276335).

Cross References

This section cited in 25 Pa. Code § 78.86 (relating to defective coating or cementing); 25 Pa. Code § 78.91 (relating to general provisions); 25 Pa. Code § 78.97 (relating to plugging a well stimulated with explosives); and 25 Pa. Code § 78.407 (relating to plugging gas storage wells).

§ 78.93. Wells in coal areas—surface or coal protective casing anchored with a packer or cement.

(a) In a well where the surface casing or coal protective casing and production casing are anchored with a packer or cement, the owner or operator shall plug the well as follows:

- (1) The retrievable production casing shall be removed by applying a pulling force at least equal to the casing weight plus 5,000 pounds or 120% whichever is greater. If this fails, an attempt shall be made to separate the casing by cutting, ripping, shooting or other method approved by the Department, and making a second attempt to remove the casing by exerting a pulling force equal to the casing weight plus 5,000 pounds or 120% of the casing weight, whichever is greater. The well shall be filled with nonporous material from the total depth or attainable bottom of the well, to a point 50 feet below the lowest stratum bearing or having borne oil, gas or water. At this point there shall be placed a plug of cement, which must extend for at least 50 feet above this stratum. Each overlying formation bearing or having borne oil, gas or water shall be plugged with cement a minimum of 50 feet below this formation to a point 50 feet above this formation. The zone between cement plugs shall be filled with nonporous material. The cement plugs shall be placed in a manner that will completely seal the hole. The operator may treat multiple strata as one stratum and plug as described in this subsection with a single column of cement or other material as approved by the Department. When the production casing is not retrievable, the operator shall plug this portion of the well under § 78.91(d) (relating to general provisions).

(2) The well shall then be filled with nonporous material to a point approximately 200 feet below the lowest workable coal seam, or surface or coal protective casing seat, whichever is deeper. Beginning at this point a 100-foot plug of cement shall be installed.

(3) After it has been established that the surface casing or coal protective casing is free and can be retrieved, the surface or coal protective casing shall be retrieved by applying a pulling force at least equal to the casing weight plus 5,000 pounds or 120% whichever is greater. If this fails, an attempt shall be made to separate the casing by cutting, ripping, shooting or other method approved by the Department, and making a second attempt to remove the casing by exerting a pulling force equal to the casing weight plus 5,000 pounds or 120% of the casing weight, whichever is greater. A string of casing with an outside diameter of at least 4 1/2 inches for gas wells, or at least 2 inches for oil wells, shall be run to the top of the 100-foot plug described in paragraph (2) and cemented to the surface.

(4) If the surface or coal protective string is not free and cannot be retrieved, it shall be perforated or cut below the lowest workable coal to allow the cement used to cement the 4 1/2-inch or 2-inch casing to communicate between the surface casing or coal protective casing, or both, and the well bore. A string of casing of at least 4 1/2 inches for gas wells or at least 2 inches for oil wells shall be run to the top of the 100-foot plug described in paragraph (2) and cemented to the surface.

(5) The inner casing shall then be emptied of liquid and cement from the base of the casing to the surface and a vent or other device approved by the Department shall be installed on the top of the casing to prevent liquids and solids from entering the well, but permit ready access to the full internal diameter of the inner casing. The inner string of casing and the vent or other device approved by the Department must extend, when finally in place, a distance of at least 72 inches above ground level and the permit or registration number must be permanently affixed to the vent.

(b) The owner or operator shall plug a well, where the surface casing and coal protective casing is anchored with a packer or cement and the production casing is cemented, as follows:

(1) If the total depth or attainable bottom is deeper than the cemented production casing seat, the operator shall plug that portion of the well under subsection (a)(1).

(2) A cement plug shall be set in the cemented portion of the production casing so that the plugs extend from at least 50 feet below each stratum bearing or having borne oil, gas or water, to a point at least 100 feet above each stratum bearing or having borne, oil, gas or water. A Department approved mechanical plug may be set 20 feet above the stratum bearing or having borne oil, gas or water as a substitute for the plug of cement. Nonporous material shall separate each cement plug or mechanical plug. The operator may treat

multiple strata as one stratum and plug as described in this subsection with a single column of cement or other materials as approved by the Department.

(3) Following the plugging of the cemented portion of the production casing, the uncemented portion of the production casing shall be separated from the cemented portion and retrieved. The maximum distance the stub of the uncemented portion of the production casing may extend is 100 feet below the surface or coal protective casing whichever is lower. In no case may the uncemented portion of the casing left in the well extend through a formation bearing or having borne oil, gas or water. Other stratum above the cemented portion of the production casing bearing or having borne oil, gas or water shall be plugged by filling the hole with nonporous material to 20 feet above the stratum and setting a 50-foot plug of cement. The operator may treat multiple strata as one stratum and plug as described in this paragraph with a single column of cement or other material approved by the Department. When the uncemented portion of the production casing is not retrievable, the operator shall plug that portion of the well under § 78.91(d).

(4) The well shall be filled with nonporous material to a point approximately 300 feet below the bottom of the surface casing or coal protective casing, whichever is deeper. In this case, a 100-foot plug of cement shall then be placed in the well beginning at that point and extending to a point approximately 200 feet below the bottom of the casing seat.

(5) After it has been established that the surface casing or coal protective casing is free and can be retrieved, the surface or coal protective casing shall be retrieved and a string of casing with an outside diameter of not less than 4 1/2 inches for gas wells, or not less than 2 inches for oil wells, shall be run to the top of the 100-foot plug described in paragraph (4) and cemented to the surface.

(6) If the surface or coal protective string is not free and cannot be retrieved, it shall be perforated or cut below the lowest workable coal seam to allow the cement used to cement the 4 1/2-inch or 2-inch casing to communicate between the surface casing or coal protective casing, or both, and the well bore. A string of casing of not less than 4 1/2 inches for gas wells or not less than 2 inches for oil wells shall be run to the top of the 100-foot plug described in paragraph (4) and cemented to the surface.

(7) The inner casing shall then be emptied of liquid and cement from the base of the casing to the surface and a vent or other device approved by the Department shall be installed on the top of the casing to prevent liquids and solids from entering the well, but permit ready access to the full internal diameter of the inner casing. The inner string of casing and the vent or other device approved by the Department shall extend, when finally in place, a distance of not less than 72 inches above ground level and the permit or registration number shall be permanently affixed to the vent.

(c) A person authorized by the Department under the act or section 13 of the Coal and Gas Resource Coordination Act (58 P. S. § 513) to plug a gas well that penetrates a workable coal seam which was drilled prior to November 30, 1955, or which was permitted after that date but not plugged in accordance with the act shall plug the well to mine through it in the following manner:

(1) The gas well shall be cleaned out to a depth of at least 200 feet below the coal seam which is proposed to be mined and, unless impracticable, to a point 200 feet below the deepest minable coal seam which the well penetrates.

(2) The well shall be plugged in accordance with section 13(a)(2) or (4) of the Coal and Gas Resource Coordination Act.

Source

The provisions of this § 78.93 adopted July 28, 1989, effective July 29, 1989, 19 Pa.B. 3229; amended December 16, 1994, effective December 17, 1994, 24 Pa.B. 6284; amended March 30, 2001, effective March 31, 2001, 31 Pa.B. 1736; amended February 4, 2011, effective February 5, 2011, 41 Pa.B. 805. Immediately preceding text appears at serial pages (276335) to (276338).

Cross References

This section cited in 25 Pa. Code § 78.86 (relating to defective casing or cementing); 25 Pa. Code § 78.91 (relating to general provisions); 25 Pa. Code § 78.97 (relating to plugging a well stimulated with explosives); and 25 Pa. Code § 78.407 (relating to plugging gas storage wells).

§ 78.94. Wells in noncoal areas—surface casing is not cemented or not present.

(a) The owner or operator shall plug a noncoal well, where the surface casing and production casing are not cemented, or is not present as follows:

(1) The retrievable production casing shall be removed by applying a pulling force at least equal to the casing weight plus 5,000 pounds or 120% whichever is greater. If this fails, an attempt shall be made to separate the casing by cutting, ripping, shooting or other method approved by the Department, and making a second attempt to remove the casing by exerting a pulling force equal to the casing weight plus 5,000 pounds or 120% of the casing weight, whichever is greater. The well shall be filled with nonporous material from the total depth or attainable bottom of the well, to a point 50 feet below the lowest stratum bearing or having borne oil, gas or water. At this point there shall be placed a plug of cement, which must extend for at least 50 feet above this stratum. Each overlying formation bearing or having borne oil, gas or water shall be plugged with cement a minimum of 50 feet below this formation to a point 50 feet above this formation. The zone between cement plugs shall be filled with nonporous material. The cement plugs shall be placed in a manner that will completely seal the hole. The operator may treat multiple strata as one stratum and plug as described in this paragraph with a single column of cement or other materials as approved by the Department. When the production casing

is not retrievable, the operator shall plug this portion of the well under § 78.91(d) (relating to general provisions).

(2) After plugging strata bearing or having borne oil, gas or water, the well shall be filled with nonporous material to approximately 100 feet below the surface casing seat and there shall be placed another plug of cement or other equally nonporous material approved by the Department extending at least 50 feet above that point.

(3) After setting the uppermost 50-foot plug, the retrievable surface casing shall be removed by applying a pulling force at least equal to the casing weight plus 5,000 pounds or 120% whichever is greater. If this fails, an attempt shall be made to separate the casing by cutting, ripping, shooting or other method approved by the Department, and making a second attempt to remove the casing by exerting a pulling force equal to the casing weight plus 5,000 pounds or 120% of the casing weight, whichever is greater. The hole shall be filled from the top of the 50-foot plug to the surface with nonporous material other than gel. If the surface casing is not retrievable, the hole shall be filled from the top of the 50-foot plug to the surface with a noncementing material.

(b) The owner or operator shall plug a well, where the surface casing is not cemented or not present, and the production casing is cemented as follows:

(1) If the total depth or attainable bottom is deeper than the cemented production casing seat, the operator shall plug that portion of the well under subsection (a)(1).

(2) Cement plugs shall be set in the cemented portion of the production casing so that each plug extends from at least 50 feet below each stratum bearing or having borne oil, gas or water, to a point at least 100 feet above each stratum. A Department-approved mechanical plug may be used as a substitute for the plug of cement. The mechanical plug shall be set 20 feet above each stratum having borne oil, gas or water. The operator may treat multiple strata as one stratum and plug as described in this subsection with a single column of cement or other material approved by the Department.

(3) Following the plugging of the cemented portion of the production casing, the uncemented portion of the production string shall be separated from the cemented portion and retrieved. The maximum distance the stub of the uncemented portion of the production casing may extend is 100 feet below the surface casing. In no case may the uncemented portion of the production casing left in the hole extend through stratum bearing or having borne oil, gas or water. Other stratum bearing or having borne oil, gas or water shall be plugged by filling the hole with nonporous material to 20 feet above the stratum and setting a 50-foot plug of cement. When the uncemented portion of the production casing is not retrievable, the operator shall plug that portion of the well under § 78.91(d).

(4) The remainder of the well shall be plugged under subsection (a)(2) and (3).

Source

The provisions of this § 78.94 adopted July 28, 1989, effective July 29, 1989, 19 Pa.B. 3229; amended December 16, 1994, effective December 17, 1994, 24 Pa.B. 6284; amended February 4, 2011, effective February 5, 2011, 41 Pa.B. 805. Immediately preceding text appears at serial pages (276338) to (276340).

Cross References

This section cited in 25 Pa. Code § 78.86 (relating to defective casing or cementing); 25 Pa. Code § 78.91 (relating to general provisions); 25 Pa. Code § 78.97 (relating to plugging a well stimulated with explosives); and 25 Pa. Code § 78.407 (relating to plugging gas storage wells).

§ 78.95. Wells in noncoal areas—surface casing is cemented.

(a) The owner or operator shall plug a well, where the surface casing is cemented and the production casing is not cemented or not present, as follows:

(1) The retrievable production casing shall be removed by applying a pulling force at least equal to the casing weight plus 5,000 pounds or 120% whichever is greater. If this fails, an attempt shall be made to separate the casing by cutting, ripping, shooting or other method approved by the Department, and making a second attempt to remove the casing by exerting a pulling force equal to the casing weight plus 5,000 pounds or 120% of the casing weight, whichever is greater. The well shall be filled with nonporous material from the total depth or attainable bottom of the well, to a point 50 feet below the lowest stratum bearing or having borne oil, gas or water. At this point there shall be placed a plug of cement, which extends for at least 50 feet above this stratum. Each overlying formation bearing or having borne oil, gas or water shall be plugged with cement a minimum of 50 feet below this formation to a point 50 feet above this formation. The zone between cement plugs shall be filled with nonporous material. The cement plugs shall be placed in a manner that will completely seal the hole. The operator may treat multiple strata as one stratum and plug as described in this subsection with a single column of cement or other materials as approved by the Department. When the production casing is not retrievable, the operator shall plug this portion of the well under § 78.91(d) (relating to general provisions).

(2) After plugging all strata bearing or having borne oil, gas or water, the well shall be filled with nonporous material to approximately 100 feet below the surface casing seat. Another plug of cement, or other equally nonporous material approved by the Department, shall be placed extending at least 50 feet above that point.

(3) After setting the 50-foot plug, the hole shall be filled from the top of the 50-foot plug to the surface with a noncementing material or the operator shall set a 100-foot cement plug which extends 50-feet into the surface casing and fill the hole to the surface with noncementing material.

(b) The owner or operator shall plug a noncoal well, where the surface casing and production casing are cemented, as follows:

(1) If the total depth or attainable bottom is deeper than the cemented production casing seat, the operator shall plug that portion of the well under subsection (a)(1).

(2) Cement plugs shall be set in the cemented portion of the production casing so that each plug extends from at least 50 feet below each stratum bearing or having borne oil, gas or water, to a point at least 100 feet above the stratum. A Department-approved mechanical plug may be used as a substitute for the plug of cement. The mechanical plug shall be set 20 feet above each stratum having borne oil, gas or water. The operator may treat multiple strata as one stratum and plug as described in this subsection with a single column of cement or other materials approved by the Department.

(3) Following the plugging of the cemented portion of the production casing, the uncemented portion of the production string shall be separated from the cemented portion and retrieved. The maximum distance the stub of the uncemented portion of the production casing may extend is 100 feet below the surface casing. In no case may the uncemented portion of the production casing left in the hole extend through stratum bearing or having borne oil, gas or water. Other stratum bearing or having borne oil, gas or water shall be plugged by filling the hole with nonporous material to 20 feet above the stratum and setting a 50-foot plug of cement. When the uncemented portion of the production casing is not retrievable, the operator shall plug that portion of the well under § 78.91(d).

(4) The remainder of the well shall be plugged under subsection (a)(2) and (3).

Source

The provisions of this § 78.95 adopted July 28, 1989, effective July 29, 1989, 19 Pa.B. 3229; amended December 16, 1994, effective December 17, 1994, 24 Pa.B. 6284; amended February 4, 2011, effective February 5, 2011, 41 Pa.B. 805. Immediately preceding text appears at serial pages (276340) and (241931).

Cross References

This section cited in 25 Pa. Code § 78.86 (relating to defective casing or cementing); 25 Pa. Code § 78.91 (relating to general provisions); 25 Pa. Code § 78.97 (relating to plugging a well stimulated with explosives); and 25 Pa. Code § 78.407 (relating to plugging gas storage wells).

§ 78.96. Marking the location of a plugged well.

Upon the completion of plugging or replugging a well, the operator shall erect over the plugged well a permanent marker of concrete, metal, plastic or equally durable material. The marker must extend at least 4 feet above the ground surface and enough below the surface to make the marker permanent. Cement may be used to hold the marker in place provided the cement does not prevent inspection of the adequacy of the well plugging. The permit or registration number shall be stamped or cast or otherwise permanently affixed to the marker. In lieu of

placing the marker above the ground surface, the marker may be buried below plow depth and shall contain enough metal to be detected at the surface by conventional metal detectors.

Source

The provisions of this § 78.96 adopted July 28, 1989, effective July 29, 1989, 19 Pa.B. 3229; amended February 4, 2011, effective February 5, 2011, 41 Pa.B. 805. [Immediately preceding text appears at serial page (241932).

Cross References

This section cited in 25 Pa. Code § 78.86 (relating to defective casing or cementing); 25 Pa. Code § 78.91 (relating to general provisions); and 25 Pa. Code § 78.407 (relating to plugging gas storage wells).

§ 78.97. Plugging a well stimulated with explosives.

Where strata bearing or having borne oil, gas or water in the well have been stimulated with explosives, thereby creating cavities which cannot be readily filled as described in §§ 78.92—78.95, the well operator shall place at the nearest suitable point, but at least 20 feet above the stratum, a plug of cement which extends at least 50 feet above that point. If the stimulation has been done above one or more strata bearing or having borne oil, gas or water in the well, plugging in the applicable manner specified in §§ 78.92—78.95 shall be done at the nearest suitable points, to at least 20 feet below and at least 20 feet above the stratum stimulated. From a point immediately above and below these plugs, the well shall be plugged under §§ 78.94 and 78.95 (relating to wells in noncoal areas—surface casing is not cemented or not present; and wells in noncoal areas—surface casing is cemented).

Source

The provisions of this § 78.97 adopted July 28, 1989, effective July 29, 1989, 19 Pa.B. 3229.

Cross References

This section cited in 25 Pa. Code § 78.86 (relating to defective casing or cementing); 25 Pa. Code § 78.91 (relating to general provisions); and 25 Pa. Code § 78.407 (relating to plugging gas storage wells).

§ 78.98. Restricting surface water from the well bore.

When casing, including conductor pipe, is left in the well at the surface, the area between the casings or the casing and the well bore shall be permanently filled to the surface with a nonporous material to restrict surface water from the well bore.

Source

The provisions of this § 78.98 adopted July 28, 1989, effective July 29, 1989, 19 Pa.B. 3229.

78-64

EXHIBIT 5 – STATE, FEDERAL, AND LOCAL PLANNING AND PERMIT APPROVALS

1. The applicant will ensure that the following nearby utility companies will be contacted and notified of gas plugging activities for both well sites:
 - Gas
 - Electric
 - Water
 - Telephone and Cable
2. Road weight limits will be verified with the Pennsylvania Department of Transportation (PennDOT) for Bakerstown Road. Road weight limits will be verified with Richland Township for North Montour Road and Ridge Road. An access path for all heavy equipment will be planned for both well sites.
3. The applicant will submit a “Notice of Intention by Well Operator to Plug a Well” form to the PA DEP prior to any activity on both well sites.
4. After all work is completed, the applicant will file a 8000-FM-00GM0006/ “Certificate of Well Plugging” form to the PA DEP.

**EXHIBIT 6 – FUNDING COMMITMENT LETTERS FROM ALL OTHER PROJECT
FUNDING SOURCES**

Not applicable.

EXHIBIT 7 – MOST RECENT FINANCIAL STATEMENT OF THE APPLICANT

2015 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

022795 RICHLAND TWP, ALLEGHENY COUNTY

Pittsburgh
503 Marindale Street
Suite 600
Pittsburgh, PA 15212
Main 412.471.5500
Fax 412.471.5508

Harrisburg
3003 North Front Street
Suite 101
Harrisburg, PA 17110
Main 717.232.1230
Fax 717.232.8230

Butler
112 Hollywood Drive
Suite 204
Butler, PA 16001
Main 724.285.6800
Fax 724.285.6875

Independent Auditor's Report

Board of Supervisors
Richland Township

We have audited the Cash Basis Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statements of Capital Expenditures and Employee Compensation – regulatory basis (Schedules) included in the 2015 Annual Audit and Financial Report of Richland Township (Township).

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these Schedules in accordance with the financial reporting provisions as described in the instructions provided by the Commonwealth of Pennsylvania Department of Community and Economic Development (DCEd) to meet filing requirements in Pennsylvania. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedules. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

To meet the financial reporting requirements of the Commonwealth of Pennsylvania, the Schedules are prepared by the Township on the basis of the instructions provided by DCEd, which is a basis of accounting other than accounting principles generally accepted in the United States of America. These requirements permit the Schedules to be prepared on the cash basis of accounting, without financial statement disclosures, without cash flows, without component unit financial information, without government-wide financial statements, without Management's Discussion and Analysis, without

Board of Supervisors
Richland Township
Independent Auditor's Report

budgetary comparisons and historical pension information, and require all funds to be aggregated by fund type on the financial statements.

The effects on the Schedules of the variances between the regulatory basis of accounting described above and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the Schedules referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2015 and the results of its operations for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the Schedules referred to above present fairly, in all material respects, the regulatory basis financial position of the Township as of December 31, 2015, and the regulatory results of its operations for the year then ended in accordance with the financial reporting provisions described in the instructions provided by DCED.

Maher Duessel

Pittsburgh, Pennsylvania
March 4, 2016



BALANCE SHEET

DCED-CLGS-30 (09-09)

RICHLAND TWP, ALLEGHENY COUNTY

BALANCE SHEET

December 31, 2015

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	
Assets and Other Debits											
100-120	Cash and Investments	636,782	25,326	2,173,778		1,473,264		3,014,563			7,323,713
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130-00	Due From Other Funds										
131-139, 150-159	Other Current Assets	44,735									44,735
160-169	Fixed Assets										
180-189	Other Debits									10,100,650	10,100,650
Total Assets and Other Debits		681,517	25,326	2,173,778		1,473,264		3,014,563		10,100,650	17,469,098

Liabilities and Other Credits								
210-229	Payroll Taxes and Other Payroll Withholdings							2,481
200-209, 231-239	All Other Current Liabilities					13,644		15,477
230.00	Due To Other Funds							

BALANCE SHEET

December 31, 2015

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									9,315,650	9,315,650
240-259	Current Portion of Long-Term Debt and Other Credits							89,402		785,000	874,402
Total Liabilities and Other Credits		4,314				13,644		89,402		10,100,650	10,208,010

Fund and Account Group Equity								
281-284	Contributed Capital							
290.00	Investment in General Fixed Assets							
270-289	Fund Balance / Retained Earnings on 12/31	677,203	25,326	2,173,778	1,459,620	2,925,161		7,261,088
291-299	Other Equity							
Total Fund and Account Group Equity		677,203	25,326	2,173,778	1,459,620	2,925,161		7,261,088

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	17,469,098
---	------------

RICHLAND TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2015

General Fund	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	Special Revenue (including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency		

REVENUES

Taxes								
301.00	Real Estate Taxes	2,211,748	105,915					2,317,663
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)	175,216						175,216
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	334,627						334,627
310.20	Earned Income Taxes / Wage Taxes	2,122,549						2,122,549
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	251,125						251,125
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes	21,913						21,913
310.90	Other Local Tax Enabling Act / Act 511 / Taxes							
	Other: _____							
	Total Taxes	5,117,178	105,915					5,223,093

Licenses and Permits								
320-322	All Other Licenses and Permits	82,380						82,380
321.80	Cable Television Franchise Fees	194,888						194,888
	Total Licenses and Permits	277,268						277,268

Fines and Forfeits								
330-332	Fines and Forfeits	25,503						25,503
	Total Fines and Forfeits	25,503						25,503

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Interest, Rents and Royalties										
341.00	Interest Earnings	2,008	101	6,702		6,626		4,152		19,589
342.00	Rents and Royalties									
Total Interest, Rents and Royalties		2,008	101	6,702		6,626		4,152		19,589

Federal										
351.03	Highways and Streets									
351.09	Community Development									
351.00	All Other Federal Capital and Operating Grants									
352.01	National Forest									
352.00	All Other Federal Shared Revenue and Entitlements									
353.00	Federal Payments in Lieu of Taxes									
Total Federal										

State									
354 03	Highways and Streets								
354 09	Community Development								
354 15	Recycling / Act 101	29,460						29,460	
354 00	All Other State Capital and Operating Grants								
355 01	Public Utility Realty Tax (PURT)	5,576						5,576	
355 02-355 03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		336,945					336,945	
355 04	Alcoholic Beverage Licenses	3,800						3,800	
355 05	General Municipal Pension System State Aid	142,648						142,648	
355 07	Foreign Fire Insurance Tax Distribution	79,655						79,655	
355 08	Local Share Assessment/Gaming Proceeds								
355 09	Marcellus Shale Impact Fee Distribution	6,259						6,259	

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2015

General Fund	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency		

REVENUES

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
	Total State	267,398	336,945					604,343

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
	Total Local Government Units							

Charges for Service								
361.00	General Government	23,885						23,885
362.00	Public Safety							
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	10,291	2,768					13,059
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				1,759,252			1,759,252
364.30	Solid Waste Collection and Disposal Charge (trash)	2,845						2,845
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	105,039						105,039
368.00	Airports							

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Charges for Service							
369.00	Bars						
370.00	Cemeteries						
372.00	Electric System						
373.00	Gas System						
374.00	Housing System						
375.00	Markets						
377.00	Transit Systems						
378.00	Water System						
379.00	All Other Charges for Service						
	Total Charges for Service	142,060	2,768		1,759,252		1,904,080

Unclassified Operating Revenues							
363.00	Special Assessments		60,692				60,692
366.00	Escheats (sale of personal property)						
367.00	Contributions and Donations from Private Sectors	15,000	127,000				142,000
368.00	Fiduciary Fund Pension Contributions					152,562	152,562
369.00	All Other Unclassified Operating Revenues	1,820			730		2,550
	Total Unclassified Operating Revenues	16,820	187,692		730	152,562	357,804

Other Financing Sources							
391.00	Proceeds of General Fixed Asset Disposition						
392.00	Interfund Operating Transfers		400,000		45,665		445,665
393.00	Proceeds of General Long-Term Debt						
394.00	Proceeds of Short Term-Debt						

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Other Financing Sources							
395.00	Refunds of Prior Year Expenditures	1,708			85		1,793
	Total Other Financing Sources	1,708	400,000	45,750			447,458

TOTAL REVENUES	5,849,943	445,729	594,394	1,812,358		156,714	8,859,138
-----------------------	-----------	---------	---------	-----------	--	---------	-----------

EXPENDITURES

General Government							
400.00	Legislative (Governing) Body	22,077					22,077
401.00	Executive (Manager or Mayor)	256,240		1,811			258,051
402.00	Auditing Services / Financial Administration	85,943					85,943
403.00	Tax Collection	78,018	2,020				80,038
404.00	Solicitor / Legal Services	30,291		1,134			31,425
405.00	Secretary / Clerk						
406.00	Other General Government Administration						
407.00	IT-Networking Services-Data Processing	25,700		4,555			30,255
408.00	Engineering Services	7,350	17,165				24,515
409.00	General Government Buildings and Plant	82,318					82,318
	Total General Government	597,937	2,020	7,500			614,922

Public Safety							
410.00	Police	1,609,866					1,609,866
411.00	Fire	247,001	80,640				327,641
412.00	Ambulance / Rescue	202					202
413.00	UCC and Code Enforcement	2,108					2,108

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Safety							
414.00	Planning and Zoning	203,127					203,127
415.00	Emergency Management and Communications						
416.00	Militia and Armories						
417.00	Examination of Licensed Occupations						
418.00	Public Scales (weights and measures)						
419.00	Other Public Safety						
Total Public Safety		2,062,304	80,640				2,142,944

Health and Human Services							
420.00-425.00	Health and Human Services						
Total Health and Human Services							

Public Works - Sanitation							
426.00	Recycling Collection and Disposal						
427.00	Solid Waste Collection and Disposal (garbage)	2,625					2,625
428.00	Weed Control						
429.00	Wastewater / Sewage Treatment and Collection				1,355,183		1,355,183
Total Public Works - Sanitation		2,625			1,355,183		1,357,808

Public Works - Highways and Streets							
430.00	General Services - Administration	390,594		93,727			484,321
431.00	Cleaning of Streets and Gutters						
432.00	Winter Maintenance - Snow Removal	27,763	339,383				367,146
433.00	Traffic Control Devices	18,658		319,139			337,797
434.00	Street Lighting	5,943	2,311				8,254

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Works - Highways and Streets							
435.00	Sidewalks and Crosswalks						
436.00	Storm Sewers and Drains	26,218					26,218
437.00	Repairs of Tools and Machinery	43,184					43,184
438.00	Maintenance and Repairs of Roads and Bridges	100,388					100,388
439.00	Highway Construction and Rebuilding Projects	1,133,645					1,133,645
Total Public Works - Highways and Streets		1,746,393	412,866				2,500,953

Other Public Works Enterprises							
440.00	Airports						
441.00	Cemeteries						
442.00	Electric System						
443.00	Gas System						
444.00	Markets						
445.00	Parking						
446.00	Storm Water and Flood Control						
447.00	Transit System						
448.00	Water System						
449.00	Water Transport and Terminals						
Total Other Public Works Enterprises							

Culture and Recreation							
451.00	Culture-Recreation Administration						
452.00	Participant Recreation						
453.00	Spectiator Recreation						
454.00	Parks	221,587					221,587

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation							
455.00	Shade Trees						
456.00	Libraries	221,834					221,834
457.00	Civil and Military Celebrations	499					499
458.00	Senior Citizens' Centers	155					155
459.00	All Other Culture and Recreation	31,670					31,670
Total Culture and Recreation		475,745					475,745

Community Development							
461.00	Conservation of Natural Resources						
462.00	Community Development and Housing						
463.00	Economic Development						
464.00	Economic Opportunity						
465-469	All Other Community Development						
Total Community Development							

Debt Service							
471.00	Debt Principal (short-term and long-term)	233,855			366,145		600,000
472.00	Debt Interest (short-term and long-term)	85,986			193,193		279,179
475.00	Fiscal Agent Fees						
Total Debt Service		319,841			559,338		879,179

Employer Paid Benefits and Withholding Items							
481.00	Employer Paid Withholding Taxes and Unemployment Compensation						
482.00	Judgments and Losses					3,156	3,156
483.00	Pension / Retirement Fund Contributions	68,828					68,828

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2015

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Employer Paid Benefits and Withholding Items

484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits				7,176		85	7,261
	Total Employer Paid Benefits and Withholding Items	68,828			7,176		3,241	79,245

Insurance

486.00	Insurance, Casualty, and Surety							
	Total Insurance							

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures							
	Total Unclassified Operating Expenditures							

Other Financing Uses

491.00	Refund of Prior Year Revenues		53,676					53,676
492.00	Interfund Operating Transfers	400,000			45,665			445,665
493.00	All Other Financing Uses							
	Total Other Financing Uses	400,000	53,676		45,665			499,341

TOTAL EXPENDITURES

5,663,673	424,354	483,707		1,974,862		3,241	8,549,837
-----------	---------	---------	--	-----------	--	-------	-----------

EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

186,270	21,375	110,687		-162,504		153,473	309,301
---------	--------	---------	--	----------	--	---------	---------

RICHLAND TWP
December 31, 2015

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (YYYY)	Maturity Year (YYYY)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
2012 GOB Series B	Bond	2012	2027	2,675,000	2,355,000		155,000		2,200,000	-19,565	2,180,435
2012 GOB Series A	Bond	2012	2027	4,730,000	4,710,000		65,000		4,645,000	-34,785	4,610,215
2014 GON	Note	2014	2022	3,690,000	3,690,000		380,000		3,310,000		3,310,000
Revenue Bonds and Notes											
Lease Rental Debt											
Water Revenue Note, Series of 2007	Lease Rentals	2007	2027	1,500,000	975,000		75,000		900,000		900,000
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	11,000,650
Capitalized lease obligations	0
Net debt	11,000,650

RICHLAND TWP, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES
December 31, 2015

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer		172,193	172,193
Solid Waste			
Streets / Highways	74,865	51,214	126,079
Water			
Other:			
TOTAL CAPITAL EXPENDITURES	74,865	223,407	298,272

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

984,494

Independent Public Accountant/Certified Public Accountant Submission Page

Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: See Attached Appointed Auditor/CPA

DCED-CLGS-30 (9-09)

December 31, 2015

NOTES / COMMENTS

The guaranteed debt of the Richland Township Municipal Authority consists of only the portion of debt that is guaranteed by Richland Township. As this debt is not the debt of the Township and the Township is not liable unless the Authority defaults, these amounts are not included on the balance sheet or statement of revenues and expenditures.

EXHIBIT 8 – A STATEMENT OF THE AMOUNT OF FUNDING REQUESTED

AMOUNT OF FUNDING REQUESTED

Richland Township respectfully requests 100% funding from the Department of Community and Economic Development (DCED), Orphan or Abandoned Well Plugging Program, the cost to drill and plug two (2) gas wells in the Township. See Exhibit 3 for the Well Services Estimate. The total estimate is \$249,310.00, which includes all applicable site preparations, drilling and plugging of the wells, materials, equipment, permits, landscaping, labor, engineering, and administrative costs.

Funds provided by the applicant:	\$0.00
Funds requested from DCED:	\$249,310.00
<hr/>	
Total	\$249,310.00

EXHIBIT 9 – RESOLUTION

**OFFICIAL
TOWNSHIP OF RICHLAND
RESOLUTION NO. 3 OF 2016**

BE IT RESOLVED, that the Township of Richland of Allegheny County hereby request an Orphaned and Abandoned Well Plugging grant of \$250,000 from the Commonwealth Financing Authority of the Commonwealth of Pennsylvania to be used for plugging abandoned gas wells at 420 Ridge Road, Valencia, PA and 4136 Bakerstown Road, Gibsonia, PA.

BE IT FURTHER RESOLVED, that the Applicant does hereby designate Raymond P. Kendrick, Chairman, Board of Supervisors and Dean E. Bastianini, Township Manager as the official(s) to execute all documents and agreements between the Township of Richland and the Commonwealth Financing Authority to facilitate and assist in obtaining the requested grant.

MOTION made by Supervisor Snyder, seconded by Supervisor Allen and this Resolution is adopted this 20TH day of April 2016.

ATTEST


Dean E. Bastianini
Township Manager

**BOARD OF SUPERVISORS
TOWNSHIP OF RICHLAND**


Raymond P. Kendrick
Chairman, Board of Supervisors

I, Dean E. Bastianini, Township Manager of the Township of Richland, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted at the meeting of the Board of Supervisors Meeting, held on the 20th day of April, 2016.

C. J. Miller April 26, 2016
Township Manager Date

**EXHIBIT 10 – NOTIFICATIONS PROVIDED TO COUNTY AND MUNICIPAL
GOVERNING BODIES ADVISING THEM OF THE PROPOSED PROJECT**

Supervisors:

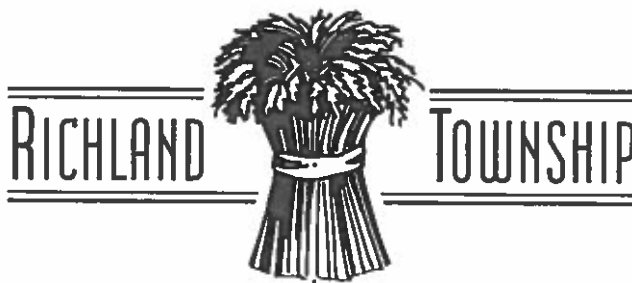
Herbert C. Dankmyer, Chairman

Raymond P. Kendrick, Vice Chairman

George P. Allen

John A. Marshall

Barton D. Miller



4019 Dickey Road • Gibsonia, PA 15044

(724) 443-5921 • Fax: (724) 443-8860 • www.richland.pa.us

June 8th, 2016

Allegheny County Department of Economic Development
Attn: Kay Pierce, Manger, Planning Division
One Chatham Center, Suite 900
112 Washington Place
Pittsburgh, PA 15219

RE: Richland Township - Orphan or Abandoned Well Plugging Program CFA Grant Application

Dear Ms. Pierce:

I am writing to notify you of Richland Township's intent to submit a grant application to the Commonwealth Financing Authority's (CFA) Orphan and Abandoned Well Plugging Program for the amount of \$250,000. This program provides a mechanism to plug abandoned and orphaned wells that have the potential to cause health, safety or environmental concerns.

If you have any questions, feel free to contact me at 724-443-5921 or at sknapp@richland.pa.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Sara Knapp", with a long horizontal stroke extending to the right.

Sara Knapp
Environmental Compliance and Sustainability Coordinator

Cc: Dean Bastianini, Township Manager

EXHIBIT 11 – A LISTING OF ALL OIL AND GAS WELL PLUGGING EXPERIENCE

Richland Township has applied for and received many grants from state agencies over the years, including TIP grants, CDBG monies, and DCNR funds. The Township has been awarded approximately \$50 million in grant funds with its current staff, and is well qualified to administer this grant. The Township has a professional engineer on staff, as well as several staff members who will assist the Township Manager in administering the grant, if awarded.

The Township solicited cost estimates from the following three (3) DEP approved contractors for completion of the work for both wells:

- 1. Hydrocarbon Well Services**
2934 Old Weston Road, PO Box 995
Buckhannon, WV 26201
- 2. Yost Drilling**
313 Steel Hill Rd
Mt Morris, PA 15349
- 3. Nick's Well Plugging LLC**
1800 N River Rd NE
Warren, OH 44483

The Township will accept project bids exclusively from DEP-approved OGM contractors. Contractors must provide a list of their experience and qualifications, and be listed on the DEP-approved OGM Prospective Bidders list (see attached).

OGM Prospective Bidders

Company	Address	City	State	Zip	Phone	FAX	Email/Address
ALCO WELL SERVICES INC	314 INTERSTATE PKWY	BRADFORD	PA	16701-2726	814-598-5461	814-362-2543	acopeland@alcowell.com
CLINE OIL COMPANY	1 LONGFELLOW AVE	BRADFORD	PA	16701-1715	814-368-5395	814-368-2283	bill.cline@verizon.net
FOWLER WELL SERVICES	103 W CORYDON ST	BRADFORD	PA	16701-2236	814-368-5484		
GRAVATT DRILLING	134 DREW RD	CLARKS MILLS	PA	16114-1708			
HYDROCARBON WELL SERVICE	PO BOX 995	BUCKHANNON	WV	26201	304-472-9600	304-472-9603	hydrocarbon@hydrocarbonwell.com
KRIEBEL MINERALS, INC.	PO BOX 765	CLARION	PA	16214	814-226-4160	814-226-9582	dochs@kriebelgas.com
MCCRACKEN OIL & GAS	189 HARRISBURG RUN	BRADFORD	PA	16701	814-362-9738	814-368-4603	MCCRACKEN.OILANDGAS@VERIZON.NET
NICKS WELL PLUGGING OF PA LLC	1800 N RIVER RD NE	WARREN	OH	44483	234-600-5839	234-600-5837	tammy@nickswellplugging.com
PHILLIPS AND DART OIL FIELD SVCS INC	3502 RTE 646	GIFFORD	PA	16732-0222	814-465-2292	814-465-2293	philippsanddart@comcast.net
PLANTS & GOODWIN, INC	1034 ROUTE 44	SHINGLEHOUSE	PA	16748-3406	814-697-6330	814-697-7515	SPLANTS@PLANTSGOODWIN.COM
R & R VENTURES LTD	15640 TIONESTA RD	PLEASANTVILLE	PA	16341	814-589-7051	814-589-7226	
R RINDRUS DRILLING LP	13851 ROUTE 19	WATERFORD	PA	16441-8211	814-796-4693	814-796-6943	rrdrill@peoplepc.com
S & T SERVICE AND SUPPLY INC	15267 TIONESTA RD	PLEASANTVILLE	PA	16341-2817	814-589-7025	814-589-7419	
SUB - TECHNICAL, INC.	1015 FOGGY HOLLOW RD	GIBSONIA	PA	15044	724-625-0008	724-625-0004	ericr@sub-technical.com
YOST DRILLING, LLC	PO BOX 598	MT. MORRIS	PA	15349	724-324-2253	724-324-2264	tomflynn@yostdrilling.net

APPALACHIAN WELL SERVICES: 1000 Kay Stigitz

8144327032

Stray Gas Mitigation

CARLUCCI CONSTRUCTION CO, INC.	401 MEADOW ST	CHESWICK	PA	15024	724-274-5707	724-274-5831	
TAG CONSTRUCTION, LLC	313 WEST LIBERTY ST #373	LANCASTER	PA	17603	717-598-7189		Tagconstructionllc.com
NEW DOMINION CONSTRUCTION	1554 MILLERS RUN RD	MCDONALD	PA	15057	724-356-4481		Ndominion.net

Note: This listing is comprised of companies who have been contracted for DEP's well plugging/stray gas mitigation projects or who are on the Department's approved bidder's list for well plugging and stray gas mitigation work. Other qualified companies exist and may be considered for work to be performed for your project.

Single Application for Assistance**Web Application Id:** 8078284**Single Application Id:** 201606305980**Applicant:** Western Pennsylvania Conservancy**Program Selected:** Orphan or Abandoned Well Plugging Program**Applicant Information**

Applicant Entity Type: Non-Profit Corporation

Applicant Name: Western Pennsylvania Conservancy

Charitable organization? True

NAICS Code 5419

FEIN/SSN Number XXXXXXXXX

CEO: Thomas D. Saunders

CEO Title: President and CEO

SAP Vendor #: XXXXXX

Contact Name: Andrew Zadnik

Contact Title: Director of Land Stewardship

Phone: (412)-586-2318

Ext.

Fax: (412)-231-1414

E-mail: azadnik@paconserve.org

Mailing Address: 800 Waterfront Dr.

City: Pittsburgh

State: PA

Zip Code: 15222

Single Application for Assistance

Web Application Id: 8078284

Single Application Id: 201606305980

Applicant: Western Pennsylvania Conservancy

Program Selected: Orphan or Abandoned Well Plugging Program

EnterpriseType

Other,

Single Application for Assistance

Web Application Id: 8078284

Single Application Id: 201606305980

Applicant: Western Pennsylvania Conservancy

Program Selected: Orphan or Abandoned Well Plugging Program

Project Overview

Project Name:

Toms Run Well Closure - Phase 2

Is this project related to another previously submitted project?

Yes

If yes, indicate previous project name:

Toms Run Well Closure

Have you contacted anyone on the Governor's Action Team about your project?

Yes

If yes, indicate who:

John Murray

Single Application for Assistance

Web Application Id: 8078284

Single Application Id: 201606305980

Applicant: Western Pennsylvania Conservancy

Program Selected: Orphan or Abandoned Well Plugging Program

Project Site Locations

Address: Toms Run Road

City:

State: PA

Zip Code:

County: Allegheny

Municipality: Kilbuck Township

PA House: Nick Kotik (45)

PA Senate: Guy Reschenthaler (37)

US House: Scott Perry (4)

Current Employees: 0

Jobs To Be Created: 0

Jobs that Pay: \$44,186.00

Created 0

Retained 0

Jobs that Pay

Jobs that Pay is Part Of Governor Wolf's initiative to improve Pennsylvania's overall job climate and job growth through partnering with the private sector to encourage the creation and retention of jobs that pay at least 80% of the annual average wage in the county where the jobs are located. (See current county listings). Job creation and retention will help ensure that businesses and communities provide employment opportunities for all of the state's residents, improve the local tax base, and achieve prosperity and a higher quality of life for families and communities.

NOTE: Jobs that Pay required data by the Department is for reporting purposes only and will **NOT** be used as a criteria for awarding loans, loan guarantees, grants or tax credits.

Designated Areas:

Single Application for Assistance

Web Application Id: 8078284

Single Application Id: 201606305980

Applicant: Western Pennsylvania Conservancy

Program Selected: Orphan or Abandoned Well Plugging Program

Project Budget

	Orphan or Abandoned Well Plugging Program	Total
- Acquisition	0	0
- General Construction	0	0
- Infrastructure / Site Preparation	0	0
- Machinery & Equipment	0	0
- Working Capital	0	0
- Operating Costs	0	0
- Related Costs	58,670	58,670
Contingencies	58,670	58,670
- Other	87,680	87,680
Permitting	2,000	2,000
Mob/Demob/E&S	6,350	6,350
Site Prep/Reclamation	1,430	1,430
Rig Time	30,800	30,800
Grouting/Plugging	36,700	36,700
Potential items	8,400	8,400
Project Audit	2,000	2,000
Grand Totals	146,350	146,350

Basis of Cost

Provide the basis for calculating the costs that are identified in the Project Budget.

Contractor Estimates

Budget Narrative

The narrative must specifically address each of the cost items identified in the Project Budget section. If an amount is placed in any of the OTHER categories, you must specify what the money will be used for. **NOTE:** Some programs have specific guidelines regarding the narrative necessary to qualify for that particular resource. Please read the Program Guidelines for details.

The majority of funds will be used to pay a contractor to properly remove and cap the abandoned wells. The amount listed under "contingencies" is to address unanticipated issues that may come up considering there is little known about these wells. Please see the attached cost estimates for details. The remaining funds (\$2,000) will be used for a project audit in accordance with DCED requirements. The cost breakdown by well is as follows:

WPC 3:

Permitting: \$1,000

Mob/Demob/E&S: \$3,960

Single Application for Assistance

Web Application Id: 8078284**Single Application Id:** 201606305980**Applicant:** Western Pennsylvania Conservancy**Program Selected:** Orphan or Abandoned Well Plugging Program

Project Budget

Site Prep/Reclamation: \$715

Rig Time: \$25,900

Grouting/Plugging: \$19,550

Potential Items: \$21,835

Total = \$72,960

WPC 4:

Permitting: \$1,000

Mob/Demob/E&S: \$2,390

Site Prep/Reclamation: \$715

Rig Time: \$25,900

Grouting/Plugging: \$19,550

Potential Items: \$21,835

Total = \$71,390

Single Application for Assistance

Web Application Id: 8078284**Single Application Id:** 201606305980**Applicant:** Western Pennsylvania Conservancy**Program Selected:** Orphan or Abandoned Well Plugging Program

Project Narrative

What do you plan to accomplish with this project?

Identify the problem(s) that need to be resolved.

WPC has spent considerable resources to remediate Toms Run Nature Reserve in order to restore the property and provide opportunities for low-impact recreation. These efforts have included the removal of four houses, removal of a large tire dump, and removal of two abandoned wells. Unfortunately, two additional abandoned wells have been discovered, both of which have open, exposed well-casings that pose a safety risk to wildlife and people. Both wells are now on the PA Department of Environmental Protection (DEP) Abandoned Well List as WPC 3 and WPC 4. Through this project, we hope to properly close those two abandoned wells.

How do you plan to accomplish it?

Include expected outcomes that are measurable, obtainable, clear and understandable, and valid. Examples of measurable outcomes include jobs created or retained, people trained, land or building acquired, housing units renovated or built, etc.

This project will be accomplished by having a contractor access the site and properly remove both abandoned wells. The work will include mobilization, road improvements if necessary (stone, clearing), installation of erosion and sediment control barriers, moving a service rig to reach the well sites, well casing removal, well plugging, and site remediation.

How do you plan to use the funds?

Should include specific use of funds and reflect the budget provided with the application.

The majority of the funds will be used to pay for the well-plugging contractor's charges for permitting, labor, equipment, and supplies. A small amount of the funding will be used for a project audit. Please see a detailed cost estimate for services from Hydrocarbon Well Services, Inc. (attached).

Projected Schedule and Key Milestones and Dates

A detailed schedule of activities, including key milestones and dates, must accompany this application if applicable to the project.

If funding can be secured, we propose the following schedule:

Month 1: Preparation and submittal of a Request for Proposals (RFP) to qualified contractors

Month 2: Selection of a contractor

Month 3: Permitting

Month 4-6: Mobilization and well removal. Each well is expected to take approximately five days to plug. Mobilization will take approximately three days and de-mobilization approximately two days.

Month 7: Project close-out

Single Application for Assistance

Web Application Id: 8078284**Single Application Id:** 201606305980**Applicant:** Western Pennsylvania Conservancy**Program Selected:** Orphan or Abandoned Well Plugging Program

Program Addenda

1. I understand this application requires a \$100 application fee made payable to the Commonwealth Financing Authority and I will send it along with the signature page, the original and 2 copies of the single application and all required supplemental information stated in the program guidelines.

Yes

Add any additional information in the upload boxes below:

Uploaded Documents

- 1 - Narrative.pdf View
- 10 - Notifications.pdf View
- 11 - experience.docx View
- 2 - well data sheet.docx View
- 3 - cost est.pdf View
- 4 - details.pdf View
- 5 - permits.docx View
- 7 - financial statement.pdf View
- 8 - Statement of Grant Funding Requested.pdf View



Pennsylvania Department of Community and Economic Development

Single Application for Assistance

Single Application #: 201606305980

This page must accompany all required supplemental information **Mail to:**

**Pennsylvania Department of Community and Economic Development
Commonwealth Keystone Building
Attn: Customer Service Center
400 North Street, 4th Floor
Harrisburg, PA 17120-0225**

I hereby certify that all information contained in the single application and supporting materials submitted to DCED via the Internet, Single Application # 201606305980 and its attachments are true and correct and accurately represent the status and economic condition of the Applicant, and I also certify that, if applying on behalf of the applicant, I have verified with an authorized representative of the Applicant that such information is true and correct and accurately represents the status and economic condition of the Applicant. I also understand that if I knowingly make a false statement or overvalue a security to obtain a grant and/or loan from the Commonwealth of Pennsylvania, I may be subject to criminal prosecution in accordance with 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities) and 31 U.S.C. §§ 3729 and 3802 (relating to false claims and statements).



Signature: Shaun Fenlon

The Pennsylvania Department of Community and Economic Development reserves the right to accept or reject any or all applications submitted on the Single Application for Assistance contingent upon available funding sources and respective applicant eligibility.

Toms Run Well Closure – Phase 2

Exhibit 1. Narrative

Toms Run Nature Reserve consists of over 300 acres of forested hillsides and clear streams located just 20 minutes from downtown Pittsburgh. The tracts making up the Reserve were originally acquired by Western Pennsylvania Conservancy (WPC) at the request of Allegheny County, which had identified the area as possessing “natural features of the highest quality” still existing in a relatively untouched condition. Management goals for the Reserve include conserving the mature forest; restoring areas impacted by past development; and providing opportunities for low-impact recreation, education, and outreach. Over the past 10 years, WPC has worked to remediate and restore areas of the Reserve that were adversely impacted by past residential and industrial use. These efforts have been costly and included removal of a large tire dump and four derelict houses with associated debris.

In 2015, thanks to funding from the Orphan or Abandoned Well Plugging Program, we were able to properly close an abandoned gas well and an oil well in accordance with all State and Federal regulations. Unfortunately, during that process, two additional abandoned wells were discovered in close proximity to the oil well (Figure 1). Both have open, exposed well-casings, one of which was damaged by the construction equipment working nearby. We’re concerned the wells pose a safety risk to wildlife and people. Both are now on the PA Department of Environmental Protection (DEP) Abandoned Well List as WPC 3 and WPC 4 (an additional well [E C McMullen] remains listed as Active and is claimed by Consol).

With a significant part of our remediation work completed at Toms Run, we’re now ready to begin promoting the Reserve for increased visitation and use by the general public – a place where residents can walk their dogs, families and small groups can take a vigorous hike or seek out a geocache, and kids can jump across a creek or climb on a log. We already receive more inquiries about Toms Run than virtually any other WPC property. However, as we encourage more use, it’s important to address the safety and liability concerns that exist with the known remaining wells. We hope that with additional funding support through the Orphan or Abandoned Well Plugging Program, we can properly close the remaining wells and move that much closer towards achieving our vision of making Toms Run Reserve a destination for those seeking solitude and a connection with the natural world.

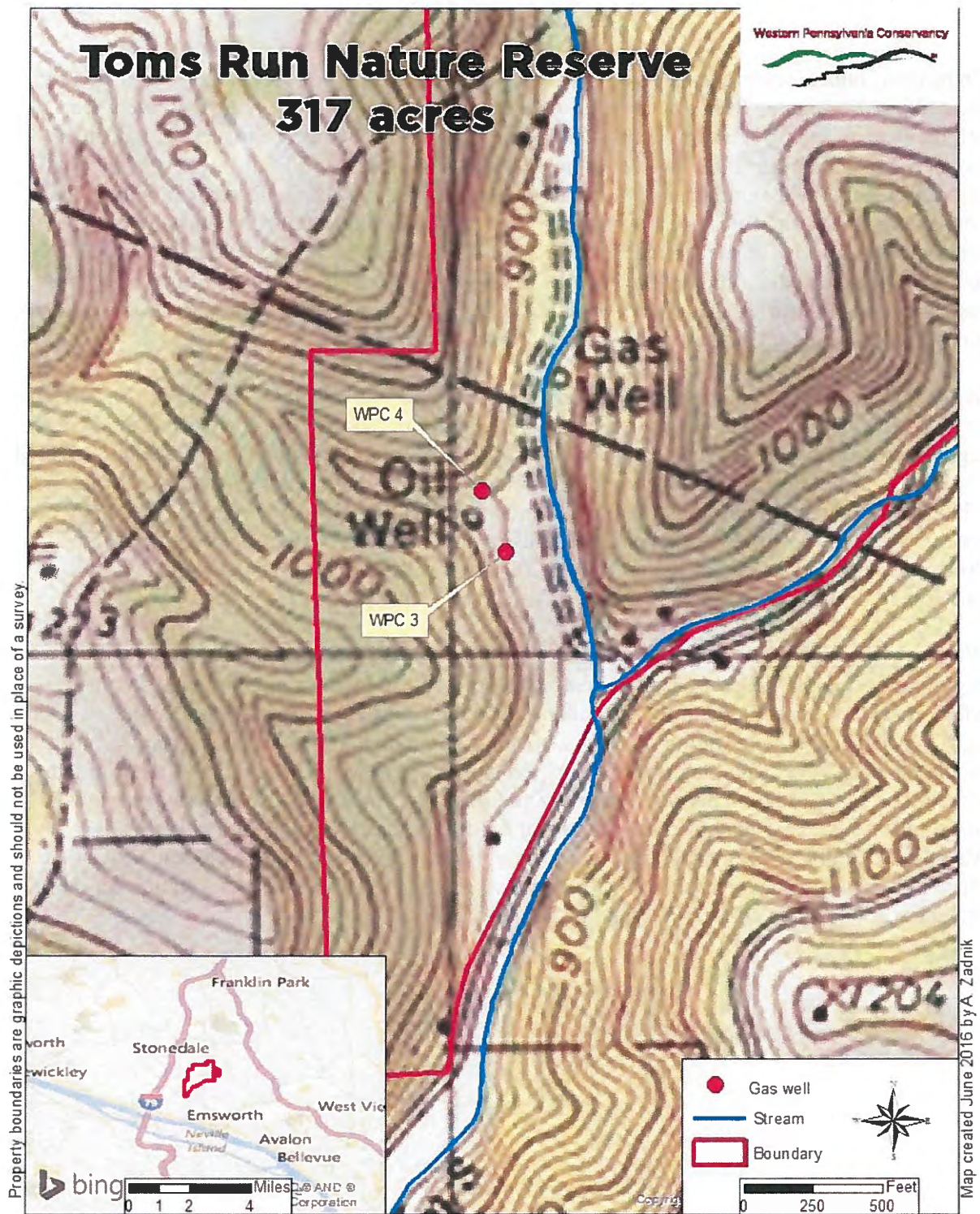


Figure 1. Toms Run Nature Reserve, indicating two abandoned wells.

Web ID 8078284



Photo 1. WPC 3 well (note the open, exposed casing - the rock has since been placed on top to cover the opening).

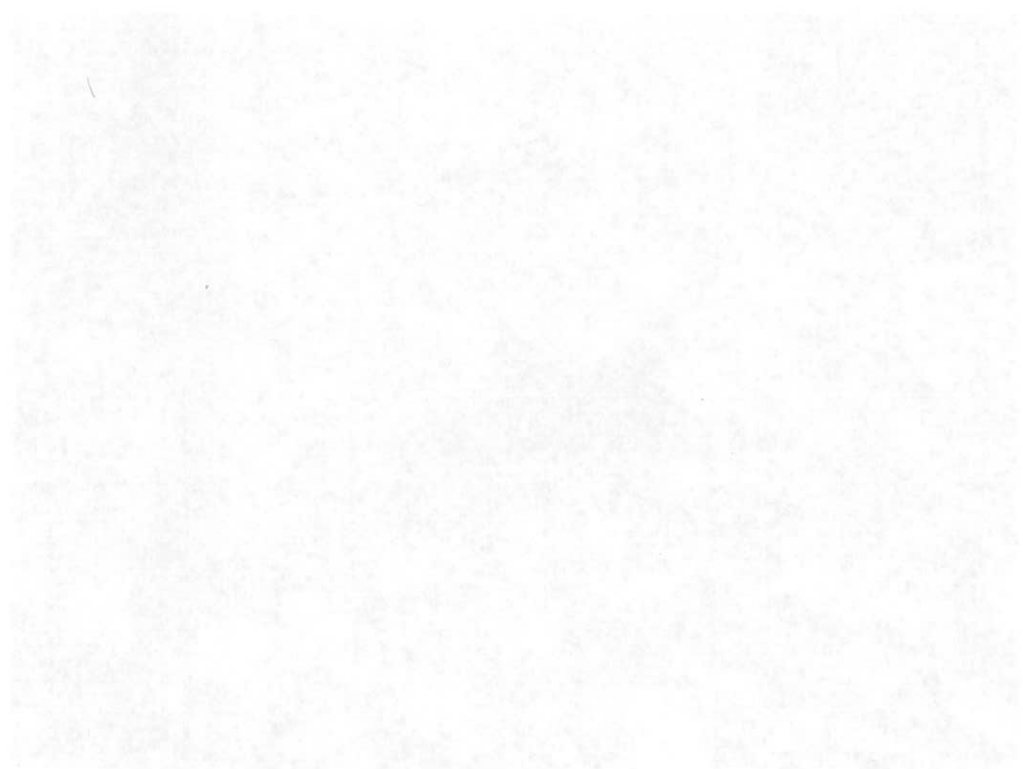


Figure 1. A schematic diagram of the experimental setup. The diagram shows a top-down view of a rectangular area with a light gray background. The area is divided into four quadrants by a vertical and a horizontal line. The quadrants are labeled with numbers 1, 2, 3, and 4. The numbers are placed in the center of each quadrant. The background is a light gray color. The lines are thin and black. The overall appearance is that of a technical drawing or a schematic diagram.

Web ID 8078284

Toms Run Well Closure – Phase 2

Exhibit 2. Well data sheet

Well Name: WPC 3
API: 003-22370
Municipality: Kilbuck Twp.
County: Allegheny
Farm Name: WPC 3
Well Type: Gas and Oil
7 ½" USGS Topographic Map: Emsworth
GPS Latitude: 40 31 52.8
GPS Longitude: -80 06 49.5
Well Casing Strings: Unknown
Well Condition: Unknown
Directions: From Toms Run Rd., proceed up old access road (Dogwood Lane) approximately 500 ft. Well is on the left.

Well Name: WPC 4
API: 003-22371
Municipality: Kilbuck Twp.
County: Allegheny
Farm Name: WPC 4
Well Type: Gas and Oil
7 ½" USGS Topographic Map: Emsworth
GPS Latitude: 40 31 55.1
GPS Longitude: -80 06 50.6
Well Casing Strings: Unknown
Well Condition: Unknown
Directions: From WPC 3, continue up access road approximately 250 ft. Well is on the left.

Exhibit 3
Web ID 8078284

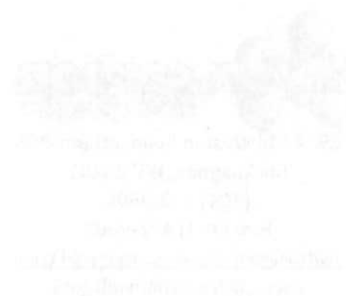


2934 Old Weston Road, PO Box 995
Buckhannon, WV 26201
(304) 472-9600
Fax: (304) 472-9603
hydrocarbon@hydrocarbonwell.com
www.hydrocarbonwell.com

COMPANY: Western P.A. Conservancy **DATE:** 5/5/16 **Prevailing Wage** Brian, you will
JOB: W.P.C. #3 **Contact:** Andy Zadnik
LOCATION: Toms Run **Email:** azadnik@paconserve.org
Depth: Est. 2000' **Phone:** 412-586-2318

SERVICES	Unit	Price	Quantity Used	Amount	
Permitting	Job	\$1,000.00	1	\$1,000.00	
Mob/Demob/E&S					
Truck & Flat Trailer	Hour	\$150.00	6	\$900.00	
Tractor Trailer	Hour	\$150.00	6	\$900.00	
Flat-bed Truck	Hour	\$130.00	8	\$1,040.00	
Dump Truck	Hour	\$130.00	2	\$260.00	
Man and Welder	Hour	\$130.00	4	\$520.00	
Oil Soaks	100	\$40.00	1	\$40.00	
Plastic	Roll	\$200.00	1	\$200.00	
Peat Sorb	Sack	\$100.00	1	\$100.00	
Tank Truck	Hour	\$100.00		-	
Other Trailers	Hour	\$25.00		-	
Site Prep/Reclamation					
Dozer/Backhoe	Hour	\$120.00	2	\$240.00	
Seed	Sack	\$80.00	1	\$80.00	
Fertilizer	Sack	\$25.00	2	\$50.00	
Lime	Sack	\$25.00	1	\$25.00	
Straw	Bail	\$8.00	10	\$80.00	
General Labor (3)	Hour	\$240.00	1	\$240.00	
Mulcher	Day	\$300.00		-	
Rig Time:					
Rig Move	Hour	\$200.00	2	\$400.00	
Service Rig	Hour	\$300.00	45	\$13,500.00	
Service Rig	Hour	\$300.00	35	\$10,500.00	Contingent
Stand By Time	Hour	\$150.00	10	\$1,500.00	
Grouting/Plugging:					
Operations Manager	Hour	\$90.00	40	\$3,600.00	
Extra Labor	Hour	\$80.00		-	
Crew Travel (3)	Hour	\$150.00	8	\$1,200.00	
Crew Travel (3)	Hour	\$150.00	8	\$1,200.00	Contingent
Man & Pickup - Roustabout	Hour	\$80.00		-	
J U Head	Job	\$850.00	1	\$850.00	
Tank Rental	Job	\$375.00	1	\$375.00	
Pit Rental	Job	\$375.00	1	\$375.00	

1998 1998



Item	Quantity	Unit Price	Total Price	Remarks
1. 1998	1	100.00	100.00	
2. 1998	1	100.00	100.00	
3. 1998	1	100.00	100.00	
4. 1998	1	100.00	100.00	
5. 1998	1	100.00	100.00	
6. 1998	1	100.00	100.00	
7. 1998	1	100.00	100.00	
8. 1998	1	100.00	100.00	
9. 1998	1	100.00	100.00	
10. 1998	1	100.00	100.00	
11. 1998	1	100.00	100.00	
12. 1998	1	100.00	100.00	
13. 1998	1	100.00	100.00	
14. 1998	1	100.00	100.00	
15. 1998	1	100.00	100.00	
16. 1998	1	100.00	100.00	
17. 1998	1	100.00	100.00	
18. 1998	1	100.00	100.00	
19. 1998	1	100.00	100.00	
20. 1998	1	100.00	100.00	
21. 1998	1	100.00	100.00	
22. 1998	1	100.00	100.00	
23. 1998	1	100.00	100.00	
24. 1998	1	100.00	100.00	
25. 1998	1	100.00	100.00	
26. 1998	1	100.00	100.00	
27. 1998	1	100.00	100.00	
28. 1998	1	100.00	100.00	
29. 1998	1	100.00	100.00	
30. 1998	1	100.00	100.00	
31. 1998	1	100.00	100.00	
32. 1998	1	100.00	100.00	
33. 1998	1	100.00	100.00	
34. 1998	1	100.00	100.00	
35. 1998	1	100.00	100.00	
36. 1998	1	100.00	100.00	
37. 1998	1	100.00	100.00	
38. 1998	1	100.00	100.00	
39. 1998	1	100.00	100.00	
40. 1998	1	100.00	100.00	
41. 1998	1	100.00	100.00	
42. 1998	1	100.00	100.00	
43. 1998	1	100.00	100.00	
44. 1998	1	100.00	100.00	
45. 1998	1	100.00	100.00	
46. 1998	1	100.00	100.00	
47. 1998	1	100.00	100.00	
48. 1998	1	100.00	100.00	
49. 1998	1	100.00	100.00	
50. 1998	1	100.00	100.00	
51. 1998	1	100.00	100.00	
52. 1998	1	100.00	100.00	
53. 1998	1	100.00	100.00	
54. 1998	1	100.00	100.00	
55. 1998	1	100.00	100.00	
56. 1998	1	100.00	100.00	
57. 1998	1	100.00	100.00	
58. 1998	1	100.00	100.00	
59. 1998	1	100.00	100.00	
60. 1998	1	100.00	100.00	
61. 1998	1	100.00	100.00	
62. 1998	1	100.00	100.00	
63. 1998	1	100.00	100.00	
64. 1998	1	100.00	100.00	
65. 1998	1	100.00	100.00	
66. 1998	1	100.00	100.00	
67. 1998	1	100.00	100.00	
68. 1998	1	100.00	100.00	
69. 1998	1	100.00	100.00	
70. 1998	1	100.00	100.00	
71. 1998	1	100.00	100.00	
72. 1998	1	100.00	100.00	
73. 1998	1	100.00	100.00	
74. 1998	1	100.00	100.00	
75. 1998	1	100.00	100.00	
76. 1998	1	100.00	100.00	
77. 1998	1	100.00	100.00	
78. 1998	1	100.00	100.00	
79. 1998	1	100.00	100.00	
80. 1998	1	100.00	100.00	
81. 1998	1	100.00	100.00	
82. 1998	1	100.00	100.00	
83. 1998	1	100.00	100.00	
84. 1998	1	100.00	100.00	
85. 1998	1	100.00	100.00	
86. 1998	1	100.00	100.00	
87. 1998	1	100.00	100.00	
88. 1998	1	100.00	100.00	
89. 1998	1	100.00	100.00	
90. 1998	1	100.00	100.00	
91. 1998	1	100.00	100.00	
92. 1998	1	100.00	100.00	
93. 1998	1	100.00	100.00	
94. 1998	1	100.00	100.00	
95. 1998	1	100.00	100.00	
96. 1998	1	100.00	100.00	
97. 1998	1	100.00	100.00	
98. 1998	1	100.00	100.00	
99. 1998	1	100.00	100.00	
100. 1998	1	100.00	100.00	

Power Tongs	Day	\$440.00	5	\$2,200.00	
3" pump or diaphragm pump	Day	\$125.00	5	\$625.00	
Water Pump Rental	Day	\$125.00	5	\$625.00	
Portland Cement	Sack	\$20.00	425	\$8,500.00	
Gel	Sack	\$25.00		-	
Fresh Water Hauled	Hour	\$100.00		-	
Potential Items:					
Logging Truck	Trip	\$3,500.00	1	\$3,500.00	
Logging Truck	Trip	\$3,500.00	1	\$3,500.00	Contingent
Jet Cutter	Trip	\$4,000.00		-	
BOP	Day	\$1,000.00		-	
Waste Water Hauled	Hour	\$125.00	4	\$500.00	Contingent
Waste Water Disposal	BBL	\$60.00	50	\$3,000.00	Contingent
Truck Cleaning	Trip	\$275.00		-	
Cutting Tools	Day	\$1,240.00		-	
Stone	Ton	\$35.00	20	\$700.00	
Power Swivel	Day	\$870.00	5	\$4,350.00	Contingent
Mud Pump	Day	\$745.00	5	\$3,725.00	Contingent
Mandrel	Day	\$560.00		-	
Cherry Picker	Day	\$500.00	2	\$1,000.00	Contingent
Spear	Day	\$560.00	1	\$560.00	Contingent
Grapple	Day	\$750.00	1	\$750.00	Contingent
Bits	Day	\$250.00	1	\$250.00	Contingent
Hydraulic Jacks	Day	\$5,000.00		-	
Rod Stripper	Day	\$250.00		-	
Rod Pump	Day	\$250.00		-	
Flagmen/Traffic control	Hour	\$195.00		-	
Culverts	Each	Depends on size			
Mats	Day	\$8.00/ each			
TOTAL:				\$43,625.00	
Contingent Items:				\$29,335.00	

Terms:

Hydrocarbon will provide a turnkey plugging and abandonment solution to DEP specifications, including permitting.

Hydrocarbon will use its best judgment to operate efficiently, cost-effectively, safely, and environmentally friendly.

Operator will pay 25% down prior to commencement of work.

Operator understands that costs associated with plugging the well may be higher or lower than the below estimate depending on issues downhole and Inspector requirements.

Any such occurrence downhole that is unanticipated or an unanticipated inspector request will be billed according to the below chart.

Operator agrees to pay all costs associated with this work 30 days from time of invoice.

All scrap or other items that must be removed from the wellsite to complete reclamation will be kept by Hydrocarbon.

Notwithstanding anything in this agreement, this is an independent contractor relationship between the Operator and Hydrocarbon.

Late payments will be subject to a 1.5% interest charge, 18% per annum.

DATE: _____

Signature of authorized signatory

Company: _____

Title

Exhibit 3



2934 Old Weston Road, PO Box 995
 Buckhannon, WV 26201
 (304) 472-9600
 Fax: (304) 472-9603
hydrocarbon@hydrocarbonwell.com
www.hydrocarbonwell.com

COMPANY: Western P.A. Conservancy **DATE:** 5/5/16 **Prevailing Wage**
JOB: W.P.C. #4 **Contact:** Andy Zadnik
LOCATION: Toms Run **Email:** azadnik@paconserve.org
Depth: Est. 2000' **Phone:** 412-586-2318

SERVICES	Unit	Price	Quantity Used	Amount	
Permitting	Job	\$1,000.00	1	\$1,000.00	
Mob/Demob/E&S					
Truck & Flat Trailer	Hour	\$150.00	4	\$600.00	
Tractor Trailer	Hour	\$150.00	1	\$150.00	
Flat-bed Truck	Hour	\$130.00	4	\$520.00	
Dump Truck	Hour	\$130.00	2	\$260.00	
Man and Welder	Hour	\$130.00	4	\$520.00	
Oil Soaks	100	\$40.00	1	\$40.00	
Plastic	Roll	\$200.00	1	\$200.00	
Peat Sorb	Sack	\$100.00	1	\$100.00	
Tank Truck	Hour	\$100.00		-	
Other Trailers	Hour	\$25.00		-	
Site Prep/Reclamation					
Dozer/Backhoe	Hour	\$120.00	2	\$240.00	
Seed	Sack	\$80.00	1	\$80.00	
Fertilizer	Sack	\$25.00	2	\$50.00	
Lime	Sack	\$25.00	1	\$25.00	
Straw	Bail	\$8.00	10	\$80.00	
General Labor (3)	Hour	\$240.00	1	\$240.00	
Mulcher	Day	\$300.00		-	
Rig Time:					
Rig Move	Hour	\$200.00	2	\$400.00	
Service Rig	Hour	\$300.00	45	\$13,500.00	
Service Rig	Hour	\$300.00	35	\$10,500.00	Contingent
Stand By Time	Hour	\$150.00	10	\$1,500.00	
Grouting/Plugging:					
Operations Manager	Hour	\$90.00	40	\$3,600.00	
Extra Labor	Hour	\$80.00		-	
Crew Travel (3)	Hour	\$150.00	8	\$1,200.00	
Crew Travel (3)	Hour	\$150.00	8	\$1,200.00	Contingent
Man & Pickup - Roustabout	Hour	\$80.00		-	
J U Head	Job	\$850.00	1	\$850.00	
Tank Rental	Job	\$375.00	1	\$375.00	
Pit Rental	Job	\$375.00	1	\$375.00	

Power Tongs	Day	\$440.00	5	\$2,200.00	
3" pump or diaphragm pump	Day	\$125.00	5	\$625.00	
Water Pump Rental	Day	\$125.00	5	\$625.00	
Portland Cement	Sack	\$20.00	425	\$8,500.00	
Gel	Sack	\$25.00		-	
Fresh Water Hauled	Hour	\$100.00		-	
Potential Items:					
Logging Truck	Trip	\$3,500.00	1	\$3,500.00	
Logging Truck	Trip	\$3,500.00	1	\$3,500.00	Contingent
Jet Cutter	Trip	\$4,000.00		-	
BOP	Day	\$1,000.00		-	
Waste Water Hauled	Hour	\$125.00	4	\$500.00	Contingent
Waste Water Disposal	BBL	\$60.00	50	\$3,000.00	Contingent
Truck Cleaning	Trip	\$275.00		-	
Cutting Tools	Day	\$1,240.00		-	
Stone	Ton	\$35.00	20	\$700.00	
Power Swivel	Day	\$870.00	5	\$4,350.00	Contingent
Mud Pump	Day	\$745.00	5	\$3,725.00	Contingent
Mandrel	Day	\$560.00		-	
Cherry Picker	Day	\$500.00	2	\$1,000.00	Contingent
Spear	Day	\$560.00	1	\$560.00	Contingent
Grapple	Day	\$750.00	1	\$750.00	Contingent
Bits	Day	\$250.00	1	\$250.00	Contingent
Hydraulic Jacks	Day	\$5,000.00		-	
Rod Stripper	Day	\$250.00		-	
Rod Pump	Day	\$250.00		-	
Flagmen/Traffic control	Hour	\$195.00		-	
Culverts	Each	Depends on size			
Mats	Day	\$8.00/ each			
TOTAL:				\$42,055.00	
Contingent Items:				\$29,335.00	

Terms:

Hydrocarbon will provide a turnkey plugging and abandonment solution to DEP specifications, including permitting.

Hydrocarbon will use its best judgment to operate efficiently, cost-effectively, safely, and environmentally friendly.

Operator will pay 25% down prior to commencement of work.

Operator understands that costs associated with plugging the well may be higher or lower than the below estimate depending on issues downhole and Inspector requirements.

Any such occurrence downhole that is unanticipated or an unanticipated inspector request will be billed according to the below chart.

Operator agrees to pay all costs associated with this work 30 days from time of invoice.

All scrap or other items that must be removed from the wellsite to complete reclamation will be kept by Hydrocarbon.

Notwithstanding anything in this agreement, this is an independent contractor relationship between the Operator and Hydrocarbon.

Late payments will be subject to a 1.5% interest charge, 18% per annum.

DATE:

Signature of authorized signatory

Company:

Title

Toms Run Nature Reserve

317 acres

Western Pennsylvania Conservancy



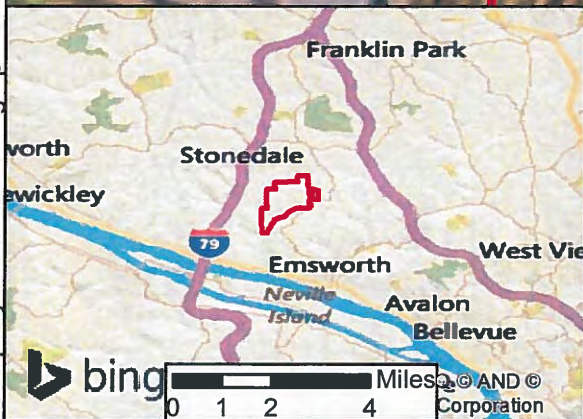
WPC 4

WPC 3

Gas Well

Oil Well

Property boundaries are graphic depictions and should not be used in place of a survey.



- Gas well
- Stream
- Boundary



0 250 500 Feet

Copyright

Toms Run Nature Reserve Well-plugging

Western Pennsylvania Conservancy



Erosion and sediment control barrier

WPC 4
003-22371

Intermittent trib.




DOGWOOD LN

UNT to Toms Run

Erosion and sediment control barrier

WPC 3
003-22370

Access road

-  Gas well
-  Stream
-  Boundary



Sources: Esri, DeLorme, NAVTEQ, GERIC, USGS, FAO, NPS, NRC, Esri, METI, Esri C

0 125 250 Feet

Web ID 8078284

Toms Run Well Closure – Phase 2

Exhibit 5. Permits

Federal Permits: None required

State Permits: PA DEP – Notice of Intention by Well Operator to Plug a Well (8000-FM-OOGM0005)

Local Permits: Allegheny County – None Required
Ohio Township – None Required
Kilbuck Township – None Required

Ex. 7

Web ID 8078284

Western Pennsylvania Conservancy

Financial Statements and Supplementary Information

**Years Ended December 31, 2015 and 2014
with Independent Auditor's Reports**

MaherDuessel
Certified Public Accountants

Pittsburgh | Harrisburg | Butler

Pursuing the profession while promoting the public good®
www.md-cpas.com

WESTERN PENNSYLVANIA CONSERVANCY

YEARS ENDED DECEMBER 31, 2015 AND 2014

TABLE OF CONTENTS

Independent Auditor's Report	1
-------------------------------------	----------

Financial Statements:

Statements of Financial Position	3
Statements of Activities:	
- Year Ended December 31, 2015	4
- Year Ended December 31, 2014	5
Statements of Cash Flows	6
Notes to Financial Statements	7

Supplementary Information:

Schedule of Expenditures of Federal Awards	28
Notes to Schedule of Expenditures of Federal Awards	30
Schedules of Unrestricted Operating Revenues and Public Support	31

Independent Auditor's Reports Required by the Uniform Guidance:

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32
Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance	34
Schedule of Findings and Questioned Costs	36
Summary Schedule of Prior Audit Findings	37

MaherDuessel
Certified Public Accountants

Pittsburgh
503 Martindale Street
Suite 600
Pittsburgh, PA 15212
Main 412.471.5500
Fax 412.471.5508

Harrisburg
3003 North Front Street
Suite 101
Harrisburg, PA 17110
Main 717.232.1230
Fax 717.232.8230

Butler
112 Hollywood Drive
Suite 204
Butler, PA 16001
Main 724.285.6800
Fax 724.285.6875

Independent Auditor's Report

Board of Directors
Western Pennsylvania Conservancy

Report on the Financial Statements

We have audited the accompanying financial statements of the Western Pennsylvania Conservancy (Conservancy), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Conservancy as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors
Western Pennsylvania Conservancy
Independent Auditor's Report

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of unrestricted operating revenues and public support is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2016, on our consideration of the Conservancy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Conservancy's internal control over financial reporting and compliance.

Mahe Duessel

Pittsburgh, Pennsylvania
May 17, 2016

WESTERN PENNSYLVANIA CONSERVANCY

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2015 AND 2014

	2015	2014
Assets		
Cash and cash equivalents	\$ 3,381,896	\$ 3,245,718
Cash held for land acquisition	149,448	111,883
Accounts and pledges receivable	2,765,521	4,669,165
Notes receivable	400,000	-
Museum shop inventories	407,233	392,115
Prepaid expenses and deposits	718,328	577,149
Investments	44,518,799	47,335,275
Property and equipment, net	12,797,746	12,704,950
Fallingwater® and fine art collection	5,623,715	5,603,040
Land conservation projects	17,868,428	18,634,149
Total Assets	\$ 88,631,114	\$ 93,273,444
Liabilities and Net Assets		
Liabilities:		
Land escrows	\$ 149,448	\$ 111,883
Accounts payable and other liabilities	1,410,105	868,141
Notes payable and other obligations	1,088,233	688,722
Total Liabilities	2,647,786	1,668,746
Net Assets:		
Unrestricted	57,436,145	61,304,975
Temporarily restricted	13,662,028	15,470,037
Permanently restricted	14,885,155	14,829,686
Total Net Assets	85,983,328	91,604,698
Total Liabilities and Net Assets	\$ 88,631,114	\$ 93,273,444

See accompanying notes to financial statements.

WESTERN PENNSYLVANIA CONSERVANCY

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating Revenues and Public Support:				
Contributions, gifts, and grants	\$ 5,086,344	\$ 3,937,592	\$ 62,929	\$ 9,086,865
Memberships	1,083,508	-	-	1,083,508
Admissions	4,126,741	-	-	4,126,741
Sales	2,436,023	-	-	2,436,023
Investment return designated for current operations	2,349,853	451,801	-	2,801,654
Rent, royalties, and miscellaneous income	457,171	-	-	457,171
Net assets released from restrictions:				
Satisfaction of program restrictions	4,783,108	(4,783,108)	-	-
Total operating revenues and public support	20,322,748	(393,715)	62,929	19,991,962
Expenses:				
Programs	16,733,258	-	-	16,733,258
General and administrative	1,817,246	-	-	1,817,246
Development and fundraising	1,486,823	-	-	1,486,823
Total expenses	20,037,327	-	-	20,037,327
Change in Net Assets from Operations	285,421	(393,715)	62,929	(45,365)
Non-Operating Support and Income:				
Investment return in excess of (less than) amount designated for current operations	(3,112,863)	(1,389,411)	(7,460)	(4,509,734)
Capital gifts, grants, and other income	622,474	1,003,512	-	1,625,986
Net assets released from restrictions:				
Satisfaction of capital purpose restrictions	1,028,395	(1,028,395)	-	-
Released from permanent restriction by donor	-	-	-	-
Changes in charitable gift annuities	(1,731)	-	-	(1,731)
Net gain (loss) on conveyance of land	(2,699,563)	-	-	(2,699,563)
Net gain (loss) on other assets	9,037	-	-	9,037
Total non-operating support and income	(4,154,251)	(1,414,294)	(7,460)	(5,576,005)
Change in Net Assets	(3,868,830)	(1,808,009)	55,469	(5,621,370)
Net Assets:				
Beginning of year	61,304,975	15,470,037	14,829,686	91,604,698
End of year	\$ 57,436,145	\$ 13,662,028	\$ 14,885,155	\$ 85,983,328

See accompanying notes to financial statements.

WESTERN PENNSYLVANIA CONSERVANCY

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating Revenues and Public Support:				
Contributions, gifts, and grants	\$ 5,099,132	\$ 3,217,991	\$ 68,198	\$ 8,385,321
Memberships	993,425	-	-	993,425
Admissions	3,974,394	-	-	3,974,394
Sales	2,271,124	-	-	2,271,124
Investment return designated for current operations	2,548,391	344,184	-	2,892,575
Rent, royalties, and miscellaneous income	585,468	-	-	585,468
Net assets released from restrictions:				
Satisfaction of program restrictions	4,833,198	(4,833,198)	-	-
Total operating revenues and public support	20,305,132	(1,271,023)	68,198	19,102,307
Expenses:				
Programs	16,733,128	-	-	16,733,128
General and administrative	1,468,367	-	-	1,468,367
Development and fundraising	1,256,367	-	-	1,256,367
Total expenses	19,457,862	-	-	19,457,862
Change in Net Assets from Operations	847,270	(1,271,023)	68,198	(355,555)
Non-Operating Support and Income:				
Investment return in excess of (less than) amount designated for current operations	(843,522)	(238,165)	(471)	(1,082,158)
Capital gifts, grants, and other income	-	625,496	-	625,496
Net assets released from restrictions:				
Satisfaction of capital purpose restrictions	684,073	(684,073)	-	-
Released from permanent restriction by donor	-	258,457	(258,457)	-
Changes in charitable gift annuities	47,438	-	-	47,438
Net gain (loss) on conveyance of land	(849,016)	-	-	(849,016)
Net gain (loss) on other assets	-	-	-	-
Total non-operating support and income	(961,027)	(38,285)	(258,928)	(1,258,240)
Change in Net Assets	(113,757)	(1,309,308)	(190,730)	(1,613,795)
Net Assets:				
Beginning of year	61,418,732	16,779,345	15,020,416	93,218,493
End of year	\$ 61,304,975	\$ 15,470,037	\$ 14,829,686	\$ 91,604,698

See accompanying notes to financial statements.

WESTERN PENNSYLVANIA CONSERVANCY

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
Cash Flows From Operating Activities:		
Change in net assets	\$ (5,621,370)	\$ (1,613,795)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	682,152	784,072
Accretion of interest-free note payable	14,778	-
Net realized and unrealized (gains) losses on long-term investments	2,568,091	(998,807)
Contributions restricted for long-term purposes	(62,929)	(68,198)
(Gain) loss on the conveyance of land	2,699,563	849,016
(Gain) loss on the disposal of other assets	(9,037)	-
Changes in assets and liabilities:		
Accounts and pledges receivable	1,458,700	468,174
Inventories	(15,118)	(28,266)
Notes receivable	(400,000)	-
Prepays and other deposits	(141,179)	47,529
Land conservation projects	(6,636,569)	(766,378)
Charitable gift annuities	131,241	(85,572)
Accounts payable and other liabilities	541,964	(339,561)
Net cash provided by (used in) operating activities	(4,789,713)	(1,751,786)
Cash Flows From Investing Activities:		
Purchase of property and equipment	(786,585)	(823,627)
Purchase of land and conservation projects	(1,386,270)	(234,394)
Purchase of investments	(15,316,250)	(20,032,379)
Proceeds from sale of investments	15,564,635	19,971,926
Net cash provided by (used in) investing activities	(1,924,470)	(1,118,474)
Cash Flows From Financing Activities:		
Collections of contributions for long-term purposes	433,981	636,696
(Payments on) proceeds from contributions for land acquisition	37,565	(8,517)
Proceeds from note payable	545,426	-
Repayment of note payable	(16,495)	(12,000)
Capital lease payments	(48,629)	(35,060)
Proceeds from line of credit	-	145,000
Repayment of line of credit	(152,918)	(255,920)
Reimbursements for land conservation projects	6,088,996	1,017,257
Net cash provided by (used in) financing activities	6,887,926	1,487,456
Net Increase (Decrease) in Cash and Cash Equivalents	173,743	(1,382,804)
Cash and Cash Equivalents:		
Beginning of year	3,357,601	4,740,405
End of year	\$ 3,531,344	\$ 3,357,601

See accompanying notes to financial statements.

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Western Pennsylvania Conservancy (Conservancy) is a public 501(c)(3) tax-exempt nonprofit organization that protects and restores exceptional places to provide our region with clean waters and healthy forest, wildlife, and natural areas for the benefit of present and future generations. The Conservancy creates green spaces and gardens, contributing to the vitality of our cities and towns, and preserves Fallingwater, a symbol of people living in harmony with nature.

The Conservancy's support comes through membership revenues, grants, contracts, private and public donations, Fallingwater admissions and sales, and investment income.

Basis of Accounting

The financial statements of the Conservancy have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. In preparing the financial statements, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ significantly from those estimates.

Cash and Cash Equivalents

The Conservancy considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The majority of cash and cash equivalents are maintained in short-term, interest-bearing money market accounts. The Conservancy maintains cash at various financial institutions that may exceed federally insured amounts at times.

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Accounts Receivable

Accounts receivable consist of amounts due under contracts and grants. Accounts receivable are stated at the amount that management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with those having outstanding balances and current relationships with the Conservancy, it believes that realized losses on balances outstanding at year-end will be immaterial. Accordingly, no allowance for doubtful accounts is deemed necessary.

Inventory

The museum shop, operating in connection with Fallingwater, maintains an inventory of gift items. The inventory is valued at the lower of cost or market, with cost determined using the specific identification method.

Investments

Investments are carried at fair value. Those investments received as gifts or donations are recorded at their fair value on the date received. Net appreciation in the fair value of investments, other than that restricted by donors, is reflected in unrestricted revenues and gains.

Gain on sale of investments is calculated on the specific identification method based on the original cost of the holding.

The Board of Directors (Board) of the Conservancy approves annual drawdowns from the investment portfolio during the budget process in accordance with the spending policy. During 2015 and 2014, a cash drawdown of \$2,801,654 and \$2,892,575, respectively, was made. This distribution is periodically transferred to the Conservancy's operating funds. The amount transferred is reflected in operating revenues and public support as investment return designated for current operations. The difference between total investment income and the transfer is reflected in non-operating support and income.

The income from certain permanently restricted endowment funds is restricted by the donors for specific programs. If program expenditures have equaled or exceeded the income generated by these funds, the amount of annual income from these funds is included in unrestricted earnings. If program expenditures have not exceeded the income generated by these funds, the amount of annual income from these funds is included in temporarily restricted earnings.

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Property and Equipment

Buildings and equipment acquired are recorded at cost. Depreciation is computed over the following estimated useful lives of the assets using the straight-line method:

<u>Description</u>	<u>Years</u>
Buildings	40
Renovations and improvements	10-15
Vehicles and equipment	5-10

Maintenance and repairs that are not considered to extend the useful lives of assets are charged to operations as incurred. Expenditures for additions and improvements are capitalized. Upon sale or retirement, the cost of assets and related allowances are removed from the accounts, and any resulting gains or losses are included in income (expense) for the year.

Fallingwater® and the Fine Art Collection

Fallingwater and the fine art collection include Fallingwater, a home designed by Frank Lloyd Wright in Mill Run, Pennsylvania, and various works of art. Items purchased for Fallingwater and the fine art collection are recorded at cost; items donated are recorded based on appraised values at the date of donation. Other donations of collectible items are recorded at fair value upon receipt of notification from the donor. In accordance with prevailing accounting practices, Fallingwater and the fine art collection, whose useful lives are extraordinarily long, are presently not required to be, and therefore are not being, depreciated. Gains or losses from deaccessions, if any, of these items are reflected on the statements of activities.

Land Conservation Projects and Easements

The Conservancy acquires, protects, and holds land for conservation purposes. Land is valued at cost or, in the case of donated land, at fair value on the date of the contribution. The Conservancy capitalizes certain costs incurred during the time the land is being acquired and protection activities are underway. These costs include development, land improvements, legal fees, and miscellaneous other items. Grants received as reimbursement for land costs on projects where the Conservancy does not intend to hold the land for the long-term reduce the cost basis of the land.

The Conservancy holds certain conservation easements and deed restrictions (easements). The Conservancy obtains easements by the sale of a piece of land

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

owned by the Conservancy, where part of the agreement is that the Conservancy retains the conservation easement on the land. The Conservancy also obtains easements from third parties by donation, or by reservation of rights upon sale of land, under which a third party maintains its ownership of the underlying land. Easements acquired through donation and easements established by reservation of rights are not recorded in the financial statements. Additionally, the Conservancy obtains easements through purchases directly from owners. Purchased easements are recorded at cost and reduced to a carrying value of \$1 by the amount of any restricted grants received specifically for the easement purchases and by expensing the amount of the easement purchase funded by unrestricted revenue. Total acreage held as easements is disclosed in Note 6.

Land Escrows

Contributions received for specific acquisitions of land which the Conservancy intends to convey after purchase are recorded as land escrows until the property is purchased, at which time revenue is recognized.

Revenue Recognition

Grant revenue is recognized when earned, based on the terms of the grants. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Pledges receivable are recognized as revenues or gains in the period received as assets. Conditional promises to give are recognized when the conditions on which they depend are substantially met (see Note 2).

The Conservancy reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

how long those long-lived assets must be maintained, the Conservancy reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Memberships and Admissions

Membership gifts are reflected as revenue when received. Membership gifts are payable on an annual basis and initiated by donors throughout the year. Admissions and merchandise sales are recognized at the time of sale or services provided.

Net Assets

The net assets of the Conservancy are reported in each of the following three classes: a) unrestricted net assets, b) temporarily restricted net assets, and c) permanently restricted net assets. Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets are unrestricted and are reported as part of the unrestricted class.

Non-Operating Support and Income

The Conservancy includes all support and income as an increase in net assets from operations except certain investment income, contributions, and net gains and losses from the conveyance of properties or sale of assets.

Income Taxes

The Conservancy has been granted an exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service (IRS) has classified the Conservancy as other than a private foundation. The Conservancy is subject to income tax on certain income that is considered unrelated business income, if earned. The Conservancy annually files a Form 990. The Conservancy has assessed the tax positions it has taken or expects to take in its tax returns and no liability has been determined to be necessary.

Fair Value Measurement

The Conservancy has adopted the Fair Value Measurement topic of the Accounting Standards Codification (ASC), including all applicable updates, which established a framework for measuring fair value under accounting principles generally accepted in the United States of America and expanded disclosure about fair value measurement (see Notes 2 and 3).

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

2. ACCOUNTS, NOTES, AND PLEDGES RECEIVABLE

Accounts, notes, and pledges receivable at December 31 consist of the following:

	2015	2014
Accounts receivable:		
Billed grants and contracts	\$ 1,462,433	\$ 1,727,387
Unbilled grants and contracts	114,947	409,169
Other	119,384	138,900
Total accounts receivable	<u>1,696,764</u>	<u>2,275,456</u>
Pledges receivable:		
Unrestricted contributions	25,060	25,950
Temporarily restricted contributions	947,804	1,808,549
Permanently restricted contributions	134,652	582,986
Gross pledges receivable	1,107,516	2,417,485
Less: unamortized discount	<u>(38,759)</u>	<u>(23,776)</u>
Total pledges receivable:	<u>1,068,757</u>	<u>2,393,709</u>
Total accounts and pledges receivable	<u>2,765,521</u>	<u>4,669,165</u>
Notes receivable:	<u>400,000</u>	<u>-</u>
Net accounts, notes, and pledges receivable	<u>\$ 3,165,521</u>	<u>\$ 4,669,165</u>

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Pledges are recorded in the accompanying financial statements at net present value and are expected to be received as follows:

Years ending December 31	Amount
2016	\$ 680,751
2017	143,327
2018	56,010
2019	34,010
2020	32,510
Thereafter	160,908
	<u>1,107,516</u>
Less - amount representing discount	<u>(38,759)</u>
	<u>\$ 1,068,757</u>

The Conservancy's estimate that an allowance for uncollectible pledges is not necessary is based on historical collection experience and a review of the current status of the pledges. Decisions to charge off uncollectible pledges are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts. It is reasonably possible that the Conservancy's estimate of an allowance for uncollectible pledges will change.

Fair values of assets measured on a recurring basis as of December 31, 2015 and 2014 are as follows: Level 1 pledges receivable – current \$680,751 and \$1,856,260, respectively, and Level 3 pledges receivable – noncurrent \$388,006 and \$537,449, respectively.

Fair values for Level 1 financial instruments are determined by quoted prices in active markets for identical financial instruments. Pledges due within one year are considered to be Level 1 because of the short maturity of these instruments. Fair values for Level 2 financial instruments are determined by other significant observable inputs (quoted prices for similar financial instruments, interest rates, prepayment speeds, credit risk, etc.). Fair values for Level 3 financial instruments are determined by significant unobservable inputs, including the Conservancy's own assumptions in determining the fair value of financial instruments.

Since the Conservancy's noncurrent pledges receivable have no significant observable inputs, they are classified as Level 3.

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

The input used by the Conservancy to measure the value of noncurrent pledges receivable is the original pledge commitment discounted at two to five years based upon the original value less 3% per year until received.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) include pledges expected to be received in more than one year:

	2015	2014
Balance as of January 1	\$ 537,449	\$ 1,656,088
Additions of long-term pledges	260,423	112,578
Increases (decreases) due to change in scheduled payments	40,479	(66,947)
Pledges receivable, which became due within one year	(450,345)	(1,164,270)
Balance as of December 31	<u>\$ 388,006</u>	<u>\$ 537,449</u>

3. INVESTMENTS

Investment portfolios at December 31 consisted of the following:

	2015		2014	
	Amount	Percentage	Amount	Percentage
Limited partnerships	\$ 4,220,645	10%	\$ 3,965,842	8%
Fixed-income	12,354,573	28%	12,137,428	26%
Equity instruments	27,943,581	63%	31,232,005	66%
	<u>\$ 44,518,799</u>	<u>100%</u>	<u>\$ 47,335,275</u>	<u>100%</u>

The Conservancy has committed \$11,000,000 and \$10,000,000 in subscriptions to limited partnerships as of December 31, 2015 and 2014, respectively. The total funds invested were approximately \$4,221,000 and \$3,966,000 as of December 31, 2015 and 2014, respectively.

The above investments are being held by custodians and managed by professional investment advisors. Related management fees included in expenses amounted to approximately \$179,000 and \$172,000 in 2015 and 2014, respectively.

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Investments are included in net assets at December 31 as follows:

	2015	2014
Unrestricted	\$ 24,207,388	\$ 26,602,846
Temporarily restricted	12,749,663	13,678,554
Permanently restricted (Note 8)	7,561,748	7,053,875
	<u>\$ 44,518,799</u>	<u>\$ 47,335,275</u>

Income earned on investments at December 31 is as follows:

	2015	2014
Realized income:		
Interest and dividends	\$ 860,011	\$ 811,610
Gain (loss) on sale of investments	2,880,335	2,588,658
	<u>3,740,346</u>	<u>3,400,268</u>
Unrealized gains (losses)	(5,448,426)	(1,589,851)
Net investment gain (loss)	<u>\$ (1,708,080)</u>	<u>\$ 1,810,417</u>

The investment income is reported in the statements of activities for the years ended December 31 as follows:

	2015	2014
Investment return designated for current operations	\$ 2,801,654	\$ 2,892,575
Investment return in excess of (less than) amount designated for current operations	(4,509,734)	(1,082,158)
	<u>\$ (1,708,080)</u>	<u>\$ 1,810,417</u>

Investments are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near-term and that such changes could materially affect the amounts reported in the statements of financial position.

The Fair Value Measurements topic (topic) of the ASC establishes a fair value hierarchy that prioritizes the inputs used to determine fair value and requires the

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Conservancy to classify assets and liabilities carried at fair value based on observability of these inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy defined by the topic are:

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reported date. Financial assets utilizing Level 1 inputs include active exchange-traded equity securities.

Level 2: Pricing inputs are other than the quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these assets and liabilities includes items for which quoted prices are available but traded less frequently and items that are fair-valued using other financial instruments, the parameters of which can be directly observed.

Level 3: Assets and liabilities that have little to no pricing observability as of the reported date. These items do not have two-way markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation. Level 3 inputs include all inputs that do not meet the requirements of Level 1 or Level 2.

Determination of Fair Value

The Conservancy measures fair value based upon market price, where available. For Level 3 items, the Conservancy's valuation is determined in good faith from information provided by the General Partner of the limited partnerships and by the market value of the underlying investments for interests in perpetual trusts provided by the trustee as they have no significant observable inputs. For the limited partnerships, fair value is based on the best information available and is determined by reference to information including, but not limited to, the following: projected sales, net earnings, earnings before interest, taxes, depreciation and amortization, balance sheets, public or private transactions, valuations for publicly-traded comparable companies, and/or other measures, and consideration of any other pertinent information including the types of securities held and restrictions on disposition. Quantitative unobservable inputs of Level 3 items are not developed by the Conservancy for measuring fair value. For Level 2 items, fair value estimates include (1) the market approach, (2) the income approach, and (3) cost for a period of time after an acquisition. These valuation methodologies involve a significant degree of judgment. Due to the absence of readily determinable fair values and the inherent uncertainty of valuations, the estimated fair values for private investments may differ

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

significantly from values that would have been used had a ready market for the securities existed.

The Conservancy is a beneficiary of a perpetual charitable trust (trust). Under the trust agreement, the Conservancy is entitled to a 12.5% share of the value of the trust as of April 17, 2012 and is entitled to annual distributions of 12.5% of a stated 6% annual return on the investments held by the trust thereafter.

The following represents the fair value hierarchy of the Conservancy's financial assets, other than pledges receivable, described in Note 2, that were recognized at fair value on a recurring basis as of December 31, 2015:

	Level 1	Level 2	Level 3	Total
<u>Fixed-income obligations</u>				
U.S. Government	\$ 68,283	\$ 2,569,384	\$ -	\$ 2,637,667
U.S. Corporate	9,651,083	-	-	9,651,083
Foreign Corporate	24,243	-	-	24,243
	<u>9,743,609</u>	<u>2,569,384</u>	<u>-</u>	<u>12,312,993</u>
<u>Equity instruments</u>				
U.S. Corporate	16,731,027	-	-	16,731,027
Foreign Corporate	11,168,944	-	-	11,168,944
	<u>27,899,971</u>	<u>-</u>	<u>-</u>	<u>27,899,971</u>
<u>Perpetual Trust</u>				
Equity U.S. Corporate	-	-	41,249	41,249
Equity Foreign Corporate	-	-	2,361	2,361
Fixed Income U.S. Corporate	-	-	37,759	37,759
Fixed Foreign Corporate	-	-	3,821	3,821
	<u>-</u>	<u>-</u>	<u>85,190</u>	<u>85,190</u>
<u>Limited partnerships</u>				
U.S. Corporate	-	-	3,176,438	3,176,438
Foreign Corporate	-	-	1,044,207	1,044,207
	<u>-</u>	<u>-</u>	<u>4,220,645</u>	<u>4,220,645</u>
	<u>\$ 37,643,580</u>	<u>\$ 2,569,384</u>	<u>\$ 4,305,835</u>	<u>\$ 44,518,799</u>

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

The following represents the fair value hierarchy of the Conservancy's financial assets that were recognized at fair value on a recurring basis as of December 31, 2014:

	Level 1	Level 2	Level 3	Total
<u>Fixed-income obligations</u>				
U.S. Government	\$ 105,555	\$ 3,214,840	\$ -	\$ 3,320,395
U.S. Corporate	8,760,162	-	-	8,760,162
Foreign Corporate	13,314	-	-	13,314
	<u>8,879,031</u>	<u>3,214,840</u>	<u>-</u>	<u>12,093,871</u>
<u>Equity instruments</u>				
U.S. Corporate	19,581,580	-	-	19,581,580
Foreign Corporate	11,601,332	-	-	11,601,332
	<u>31,182,912</u>	<u>-</u>	<u>-</u>	<u>31,182,912</u>
<u>Perpetual Trust</u>				
Equity U.S. Corporate	-	-	43,865	43,865
Equity Foreign Corporate	-	-	5,227	5,227
Fixed Income U.S. Corporate	-	-	39,444	39,444
Fixed Foreign Corporate	-	-	4,114	4,114
	<u>-</u>	<u>-</u>	<u>92,650</u>	<u>92,650</u>
<u>Limited partnerships</u>				
U.S. Corporate	-	-	3,239,417	3,239,417
Foreign Corporate	-	-	726,425	726,425
	<u>-</u>	<u>-</u>	<u>3,965,842</u>	<u>3,965,842</u>
	<u>\$ 40,061,943</u>	<u>\$ 3,214,840</u>	<u>\$ 4,058,492</u>	<u>\$ 47,335,275</u>

A reconciliation for years ended December 31 of fair value measures categorized as Level 3 follows:

	2015	2014
Fair value, beginning of year	\$ 4,058,492	\$ 3,673,962
Capital calls	1,101,911	765,698
Distributions	(1,207,685)	(1,059,746)
Net investment return, including unrealized gains (losses)	<u>353,117</u>	<u>678,578</u>
Fair value, end of year	<u>\$ 4,305,835</u>	<u>\$ 4,058,492</u>

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

The amount of total gains (losses) for the year included in investment return attributable to the change in unrealized gains (losses) related to the limited partnerships is (\$703,288) and \$545,458 in 2015 and 2014, respectively.

4. PROPERTY AND EQUIPMENT

Property and equipment at December 31 consisted of:

	2015	2014
Land	\$ 685,000	\$ 685,000
Building and building improvements	11,388,827	11,282,509
Equipment	2,364,669	2,351,875
Ground improvements	6,625,134	6,279,326
Construction in progress	358,556	48,528
	21,422,186	20,647,238
Less: accumulated depreciation	(8,624,440)	(7,942,288)
	<u>\$ 12,797,746</u>	<u>\$ 12,704,950</u>

In 2000, the Conservancy granted a preservation easement to the Pennsylvania Historical and Museum Commission for the Conservancy's commitment for ongoing preservation and maintenance of Fallingwater. The term of the easement is 50 years from the completion of the Fallingwater restoration. No cost was assigned to the easement granted.

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

5. LAND CONSERVATION PROJECTS

The Conservancy receives reimbursements from public and private sources for land acquisitions. The change in land conservation projects at December 31 consisted of the following:

	2015	2014
Balance as of January 1	\$ 18,634,149	\$ 19,499,650
Additions and acquisitions	15,783,838	1,619,711
Conveyances	(10,460,563)	(1,467,955)
Reimbursements	(6,088,996)	(1,017,257)
Balance as of December 31	<u>\$ 17,868,428</u>	<u>\$ 18,634,149</u>

During 2015, the Conservancy recognized a realized loss on conveyance of land for \$2.7 million. This primarily relates to property the Conservancy intended to keep at time of purchase; therefore, grants received as reimbursement in prior years were recognized as revenue and not a reduction to the carrying value of the land. During 2015, this property was conveyed.

6. CONSERVATION EASEMENTS

The Conservancy holds certain conservation easements throughout Western Pennsylvania. These easements include development rights, scenic preservation, and other privileges related to natural resource conservation. Easements are received by gift, by reservation of certain rights upon sale of land, or by purchase. The Conservancy held 36,130 and 35,963 acres as easements as of December 31, 2015 and 2014, respectively.

7. NOTES PAYABLE AND OTHER OBLIGATIONS

Charitable Gift Annuities

Donors have established charitable gift annuities with the Conservancy and are to receive distributions ranging from 4.3% to 8.3% of the fair value of the contributions over the designated beneficiaries' lifetime. The present values of these obligations approximate \$475,000 and \$343,000, respectively, at December 31, 2015 and 2014.

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Line of Credit

The Conservancy has a line of credit with a bank providing for total borrowing up to \$5,000,000. The line is secured by general unrestricted investments and is intended to be used for short-term financing for large land acquisition projects. Interest is payable at either the Prime Rate minus 2.1% or various rates based on the one-, two-, three-, or six-month London InterBank Offered Rate (LIBOR) plus 0.35%. As of December 31, 2015 and 2014, the balances due on the line of credit were \$29,249 and \$182,167, respectively. The line of credit expires August 31, 2016.

Notes Payable

The Conservancy has a note payable of \$120,000, dated July 30, 2010, used to acquire property within the Bear Run Nature Reserve in Stewart Township, Fayette County. The note is non-interest bearing and is payable in ten annual installments of \$12,000. The first installment was paid in January 2012. The balance on this note payable at December 31, 2015 and 2014 was \$60,000 and \$72,000, respectively.

The Conservancy received a program-related investment in the form of a note payable for \$500,000, dated April 15, 2015, used to acquire property in the headwaters of Loyalhanna Creek. The note is non-interest bearing and is payable on or before June 30, 2020. Interest was imputed at a rate of 3.25%. The note was measured at fair value at inception in the amount of \$426,000. The difference between fair value and stated amount of the loan was recognized as a contribution. Interest expense of \$15,000 was recognized during 2015. The balance on this note payable at December 31, 2015 was \$441,000.

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

8. RESTRICTED ASSETS

Certain restricted contributions and grants received are to be expended for specific purposes and/or in succeeding years. They are, therefore, reflected as temporarily restricted in the statements of activities. Temporarily restricted contributions for the years ended December 31 were as follows:

	2015	2014
Operating:		
Conservation	\$ 1,462,019	\$ 1,773,997
Fallingwater	549,746	111,400
Community Gardens/Greenspace	1,829,782	1,127,575
Other	96,045	205,019
	<u>\$ 3,937,592</u>	<u>\$ 3,217,991</u>

Temporarily restricted net assets as of December 31 are available for the following programs:

	2015	2014
Conservation	\$ 5,925,002	\$ 7,266,872
Fallingwater	496,131	344,164
Community Gardens/Greenspace	1,606,747	1,233,544
Other	765,935	794,749
	<u>8,793,815</u>	<u>9,639,329</u>
Endowment	3,631,569	4,569,181
Capital items	1,236,644	1,261,527
	<u>\$ 13,662,028</u>	<u>\$ 15,470,037</u>

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Permanently restricted net assets as of December 31 are available for the following programs:

	2015	2014
Endowment investments in perpetuity and endowment pledges, the income from which is expendable to support:		
Community Gardens/Greenspace	\$ 2,674,973	\$ 2,674,943
Fallingwater	2,081,393	2,029,277
Beechwood Farm Sanctuary	50,000	50,000
General purposes	1,337,097	1,344,557
Specific program support	1,634,807	1,624,024
	<u>7,778,270</u>	<u>7,722,801</u>
Land required to be held in perpetuity	2,534,751	2,534,751
Land, proceeds from the sale of which are required to be reinvested in land upon divestment	1,942,636	1,942,636
Fallingwater	600,000	600,000
Fine art collection (at values assigned at acquisition)	2,029,498	2,029,498
	<u>\$ 14,885,155</u>	<u>\$ 14,829,686</u>

During 2014, the Conservancy received a clarification of donor intent relating to a portion of the 'land, proceeds from the sale of which are required to be reinvested in land upon divestment' when one of the land parcels was sold. The donor clarified that the use of the proceeds to carry out program activities related to land acquisition was within the original intent of the grant. As a result, \$258,457 was reclassified from permanently restricted net assets to temporarily restricted net assets in 2014.

The Conservancy's endowment consists of various investment funds established primarily for the financial needs of the organization and its purpose. The endowment includes only donor-restricted endowment funds and accumulated income thereon. Certain endowment earnings are donor restricted for a particular program. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Interpretation of Relevant Law

The Board has elected to apply the Commonwealth of Pennsylvania's Act 141 (Act 141). Act 141 permits utilization of a total return policy that allows a nonprofit to choose to treat a percentage of the average market value of the endowment's investments as income each year. However, the long-term preservation of the real value of the assets must be taken into consideration when the Board elects the amount. In accordance with Act 141, on an annual basis, the Board, in writing, must elect a spending rate of between 2% and 7%. The Conservancy classifies as permanently restricted net assets the original fair value of gifts donated to the permanent endowment and the original fair value of subsequent gifts to the permanent endowment. The undistributed amounts earned are included in temporarily restricted net assets. In accordance with Act 141, the Conservancy has adopted a written investment policy, of which a section specifically relates to the endowment fund. On an annual basis, the Board also sets a spending rate.

Donor-restricted endowment funds as of December 31 are composed of the following net assets:

	Temporarily Restricted	Permanently Restricted	Total
2015	<u>\$ 3,631,569</u>	<u>\$ 7,778,270</u>	<u>\$ 11,409,839</u>
2014	<u>\$ 4,569,181</u>	<u>\$ 7,722,801</u>	<u>\$ 12,291,982</u>

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Changes in donor-restricted endowment funds by net asset type for the years ended December 31 are as follows:

	2015		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 4,569,181	\$ 7,722,801	\$ 12,291,982
Investment return:			
Investment income	215,325	-	215,325
Net appreciation (depreciation)	(701,136)	(7,460)	(708,596)
Drawdown	(451,801)	-	(451,801)
	3,631,569	7,715,341	11,346,910
Contributions	-	62,929	62,929
Endowment net assets, end of year	\$ 3,631,569	\$ 7,778,270	\$ 11,409,839

	2014		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 4,463,162	\$ 7,655,074	\$ 12,118,236
Investment return:			
Investment income	178,586	-	178,586
Net appreciation (depreciation)	271,617	(471)	271,146
Drawdown	(344,184)	-	(344,184)
	4,569,181	7,654,603	12,223,784
Contributions	-	68,198	68,198
Endowment net assets, end of year	\$ 4,569,181	\$ 7,722,801	\$ 12,291,982

In addition to the investments above, as described earlier in this note, the Conservancy maintained other permanently restricted assets approximating \$7,107,000 at December 31, 2015 and 2014. These assets included land, buildings, and fine art.

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

Endowment Investment Objective

The primary objective of endowment fund (Fund) investments is the pursuit of a long-term growth adequate to meet the Conservancy's annual spending needs over time. The next objective is to preserve principal and to dampen volatility to stabilize the market value and cash flows from the Fund. A third objective is to realize growth above inflation to build the economic value of the Fund over time.

The Board believes that a long-term growth-oriented approach is appropriate, given that annual distributions from the Fund represents less than 15% of the Conservancy's operating budget.

To satisfy its long-term investment objectives, the Conservancy maintains a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Therefore, the Conservancy targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk parameters.

The Conservancy has chosen not to manage its underlying assets directly, but to utilize independent investment managers. To maintain prudent diversification and to avoid undue risk, the Conservancy's portfolio is divided among approximately 15 managers.

The Conservancy recognizes the difficulty of achieving the Fund's investment objectives in light of the uncertainties and complexities of the investment markets. The Conservancy further recognizes that risk (i.e., the uncertainty of future events) and volatility (i.e., the potential for variability of asset values and the possibility of loss in purchasing power due to inflation) are present to varying degrees in all types of investment vehicles. Several factors suggest collectively that the Fund can tolerate some interim fluctuations in market value and rates of return in order to achieve long-term objectives.

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

9. EXPENSES

Expenses for 2015 and 2014 were as follows:

	2015	2014
Programs:		
Direct:		
Conservation	\$ 4,309,962	\$ 4,226,076
Watershed	2,033,353	1,552,943
Fallingwater	6,128,479	5,866,768
Community Gardens/Greenspace	2,549,196	3,418,648
Constituent programs/outreach	894,196	888,953
Total direct programs	15,915,186	15,953,388
Depreciation (programs' portion)	818,072	779,740
Total programs	16,733,258	16,733,128
General and administrative	1,817,246	1,468,367
Development and fundraising	1,486,823	1,256,367
Total expenses	\$ 20,037,327	\$ 19,457,862
Percent of program expenses to total expenses	84%	86%

10. RETIREMENT PLANS

The Conservancy maintains defined contribution retirement plans for all eligible employees. The plans provide for an employer contribution based on a percentage of employees' gross wages and based on a percentage of voluntary contributions by employees. Pension contributions charged to expense amounted to approximately \$849,000 and \$827,000 in 2015 and 2014, respectively.

The Conservancy provides a 457(b) private salary deferral plan under the IRC, which allows for certain corporate officers to defer a portion of their compensation, up to a limit determined under the IRC, for retirement. As of December 31, 2015 and 2014, \$452,000 and \$398,000, respectively, are included on the statements of financial position as prepaid expenses and deposits with an offsetting liability. There are no employer contributions under the plan.

WESTERN PENNSYLVANIA CONSERVANCY

NOTES FOR THE FIELD STATION

1. The following notes are for the field station.

2. The following notes are for the field station.

3. The following notes are for the field station.

Supplementary Information

4. The following notes are for the field station.

5. The following notes are for the field station.

6. The following notes are for the field station.

7. The following notes are for the field station.

WESTERN PENNSYLVANIA CONSERVANCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor Number or Pass-Through Grantor Number	Amounts Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of the Interior:</u>				
National Fish and Wildlife Foundation	15.663	0901.12.030425	\$ -	\$ 6,567
Passed through US Fish and Wildlife Service:				
Fish and Wildlife Management Assistance	15.608	F15PX02904	-	779
Fish and Wildlife Management Assistance	15.608	PFBC 2014-0521.01	-	116,284
Fish and Wildlife Management Assistance	15.608	4300298242	-	4,500
Subtotal			-	121,563
Wildlife Restoration and Basic Hunter Education	15.611	4100019622	-	1,010
State Wildlife Grants	15.634	PFBC 2011-0915.01	-	71,270
State Wildlife Grants	15.634	PFBC 2012-0327.01	-	54,514
State Wildlife Grants	15.634	PFBC 2010-0629.02	-	46,504
State Wildlife Grants	15.634	4100070678	-	7,717
State Wildlife Grants	15.634	PFBC 2015-0526.01	-	35,696
State Wildlife Grants	15.634	PFBC2015 - 0626.02	-	3,390
State Wildlife Grants	15.634	13-SUBC-440-0000302976	-	3,987
State Wildlife Grants	15.634	WPCTA - 020	-	9,999
Subtotal			-	233,077
Endangered Species Conservation - Recovery Implementation Funds	15.657	4100064364	-	61,199
Great Lakes Restoration	15.662	WPC TA - 018	-	15,121
Great Lakes Restoration	15.662	WPC TA - 019	-	15,914
Subtotal			-	31,035
Subtotal Passed through US Fish and Wildlife Service			-	447,884
Passed through U.S. Geological Survey:				
Research and Data Collection	15.808	USG0R043	-	2,967
Passed through National Park Service:				
Rivers, Trails and Conservation Assistance	15.921	NPSOR180	-	7,440
Passed through Office of Surface Mining:				
Not-for-Profit AMD Reclamation	15.253	S13AC20036	-	8,278
Total U.S. Department of the Interior			-	473,136
<u>U.S. Department of Housing and Urban Development:</u>				
Passed through City of Pittsburgh:				
Community Development Block Grants/Entitlement Grants	14.218	51432	-	609
Community Development Block Grants/Entitlement Grants	14.218	50975	-	49,424
Total U.S. Department of Housing and Urban Development			-	50,033
<u>U.S. Environment Protection Agency:</u>				
Regional Wetland Program Development Grants	66.461	WPC-TA 022	-	65,545
Regional Wetland Program Development Grants	66.461	WPC-TA 013	-	93,985
Subtotal			-	159,530
Passed through National Fish and Wildlife Foundation:				
Chesapeake Bay Program	66.466	US-PA-101-3	-	1,657
Chesapeake Bay Program	66.466	0603.13.039631	-	55,494
Subtotal			-	57,151
Total U.S. Environment Protection Agency			-	216,681

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

WESTERN PENNSYLVANIA CONSERVANCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2015

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor Number or Pass-Through Grantor Number	Amounts Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Agriculture:</u>				
National Fish and Wildlife Foundation	10.683	0901.12-031030	-	30,431
National Fish and Wildlife Foundation	10.683	0501.13.038789	-	2,820
Subtotal			-	33,251
Passed through Forest Service:				
Cooperative Forestry Assistance	10.664	12-DG-11091900-017	-	90
Cooperative Forestry Assistance	10.664	10-DG-11420004-157	-	4,158
Cooperative Forestry Assistance	10.664	10-DG-11420004-022	-	25,704
Cooperative Forestry Assistance	10.664	13-CS-11091900-028	-	21,873
Subtotal			-	51,825
Soil and Water Conservation	10.902	68-2D37-14-689	-	45,640
Subtotal Passed through Forest Service			-	97,465
Environmental Quality Incentives Program	10.912	69-2D37-13-682	-	36,993
Total U.S. Department of Agriculture			-	167,709
<u>U.S. Department of Defense:</u>				
Passed through Department of Defense:				
Planning Assistance to States	12.110	N/A	-	12,620
Total Expenditures of Federal Awards			\$ -	\$ 920,179

(Concluded)

See accompanying notes to schedule of expenditures of federal awards.

WESTERN PENNSYLVANIA CONSERVANCY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2015

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Western Pennsylvania Conservancy (Conservancy) under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Conservancy, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Western Pennsylvania Conservancy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The Conservancy has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

WESTERN PENNSYLVANIA CONSERVANCY

SCHEDULES OF UNRESTRICTED OPERATING REVENUES AND PUBLIC SUPPORT

YEARS ENDED DECEMBER 31, 2015 AND 2014

	Amount		Percent of Total Unrestricted Operating Revenues and Public Support	
	2015	2014	2015	2014
Contributions, Grants, and Memberships, Including Restrictions Met in Current Year:				
Individuals	\$ 3,300,656	\$ 2,337,598	16%	11%
Foundations	2,216,561	4,110,952	11%	20%
Business community	743,470	721,587	4%	4%
Government	4,692,273	3,755,618	23%	18%
	<u>10,952,960</u>	<u>10,925,755</u>	<u>54%</u>	<u>53%</u>
Earned Income:				
Fallingwater admissions	4,126,741	3,974,394	19%	20%
Sales from Fallingwater museum shop and café	2,436,023	2,271,124	12%	11%
Rents, royalties, and miscellaneous	457,171	585,468	2%	3%
	<u>7,019,935</u>	<u>6,830,986</u>	<u>33%</u>	<u>34%</u>
Internal Income:				
Investment return designated for current operations	<u>2,349,853</u>	<u>2,548,391</u>	<u>13%</u>	<u>13%</u>
 Total unrestricted operating revenues and public support	<u><u>\$ 20,322,748</u></u>	<u><u>\$ 20,305,132</u></u>	<u><u>100%</u></u>	<u><u>100%</u></u>

The independent auditor's report should be read with these schedules.

Western Pennsylvania Conservancy

Independent Auditor's Reports Required by the Uniform Guidance

Year Ended December 31, 2015

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
Western Pennsylvania Conservancy

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Western Pennsylvania Conservancy (Conservancy), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 17, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Conservancy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Conservancy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Conservancy's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Conservancy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Directors
Western Pennsylvania Conservancy
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maher Duessel

Pittsburgh, Pennsylvania
May 17, 2016

**Independent Auditor's Report on Compliance for the Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

Board of Directors
Western Pennsylvania Conservancy

Report on Compliance for the Major Federal Program

We have audited the Western Pennsylvania Conservancy's (Conservancy) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the Conservancy's major federal program for the year ended December 31, 2015. The Conservancy's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management' Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Conservancy's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Conservancy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on the Conservancy's compliance.

Opinion on the Major Federal Program

In our opinion, the Conservancy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

Board of Directors
Western Pennsylvania Conservancy
Independent Auditor's Report on Compliance
for the Major Program and on
Internal Control over Compliance

Report on Internal Control over Compliance

Management of the Conservancy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Conservancy's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Conservancy's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

* * * * *

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Maher Duessel

Pittsburgh, Pennsylvania
May 17, 2016

WESTERN PENNSYLVANIA CONSERVANCY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2015

I. Summary of Audit Results

1. Type of auditor's report issued on GAAP financial statements: Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies identified that are not considered to be material weakness(es)?

☐ yes ☒ none reported

3. Noncompliance material to financial statements noted? ☐ yes ☒ no

4. Internal control over major programs:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies identified that are not considered to be material weakness(es)?

☐ yes ☒ none reported

5. Type of auditor's report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? ☐ yes ☒ no

7. Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
15.634	State Wildlife Grants

8. Dollar threshold used to distinguish between type A and type B programs: \$750,000

9. Auditee qualified as low-risk auditee? ☒ yes ☐ no

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

No matters were reported.

III. Findings and questioned costs for federal awards.

No matters were reported.

WESTERN PENNSYLVANIA CONSERVANCY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2015

NONE

Ex. 8

Western Pennsylvania Conservancy



Web ID 8078284

June 21, 2016

PA Department of Community and Economic Development
Commonwealth Keystone Building
400 North Street
4th Floor
Harrisburg, PA 17120

**Subject: Attachment 8 - Statement of Grant Funding Requested
Kilbuck Township, Allegheny County, Pennsylvania**

Dear Fund Administrator:

The Western Pennsylvania Conservancy (WPC) respectfully requests a grant to plug two abandoned gas wells at its Toms Run Nature Reserve in Kilbuck Township, Allegheny County, Pennsylvania. The total funding request is as follows:

WPC 3: 003-22370 -	\$72,960
WPC 4: 003-22371 -	\$71,390
Project audit -	\$2,000
Project Total -	\$146,350

Please see Exhibit 3 for a breakdown of costs. Therefore, WPC requests a total of \$146,350 in funds from the Orphan or Abandoned Well Plugging Program in order to plug the aforementioned wells.

The WPC appreciates the PADCED's consideration of this grant request. If you should have any questions regarding this project, please feel free to contact me at 412-586-2318 or azadnik@paconsere.org.

Sincerely,

Andrew Zadnik
Director of Land Stewardship
Western Pennsylvania Conservancy

Western Pennsylvania Conservancy



June 28, 2016

Harry Dilmore
Kilbuck Township
640 California Ave.
Avalon, PA 15202

RE: Notice of funding application for well-plugging

Dear Mr. Dilmore,

This letter is to notify you of Western Pennsylvania Conservancy's intent to apply for funding through the Orphan or Abandoned Well Plugging Program, administered by the PA Department of Community and Economic Development, for the purpose of plugging two abandoned wells on the Conservancy's Toms Run Nature Reserve. The wells are as follows:

Well Name: WPC 3
API: 003-22370
Municipality: Kilbuck Twp.
GPS Latitude: 40 31 52.8
GPS Longitude: -80 06 49.5

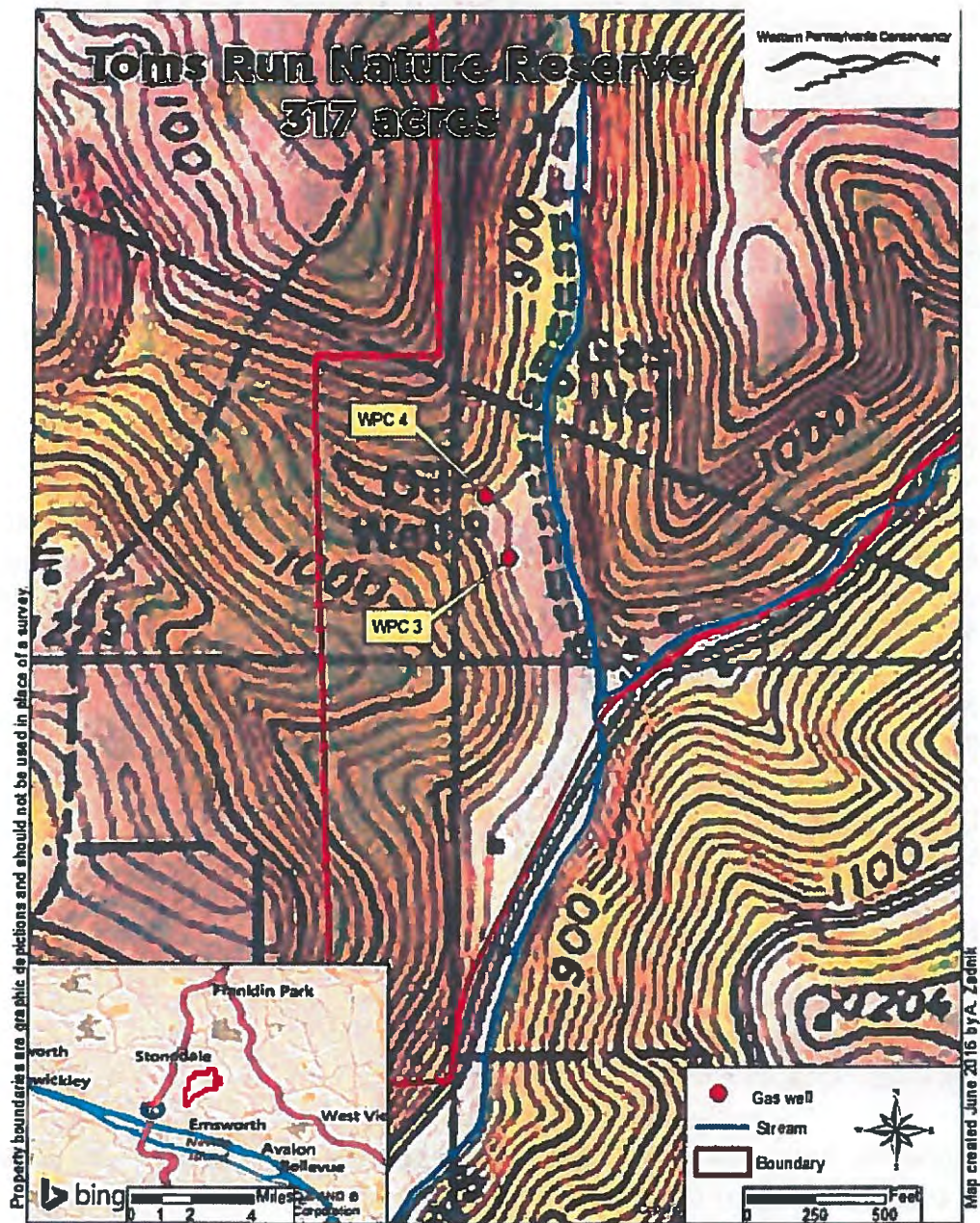
Well Name: WPC 4
API: 003-22371
Municipality: Kilbuck Twp.
GPS Latitude: 40 31 55.1
GPS Longitude: -80 06 50.6

A map indicating the location of the wells is below. Please feel free to contact me at 412-586-2318 or azadnik@paconserve.org if you have any questions.

Sincerely,

A handwritten signature in black ink, which appears to read "Andrew Zadnik".

Andrew Zadnik
Director of Land Stewardship



Western Pennsylvania Conservancy
800 Waterfront Drive
Pittsburgh, PA 15222

Phone: 412 288-2777
Fax: 412 231-1414
info@paconserve.org
WaterLandLife.org



Western Pennsylvania Conservancy



June 28, 2016

William McKain
County Manager
Allegheny County
436 Grant St.
Room 119
Pittsburgh, PA 15219

RE: Notice of funding application for well-plugging


Dear Mr. McKain,

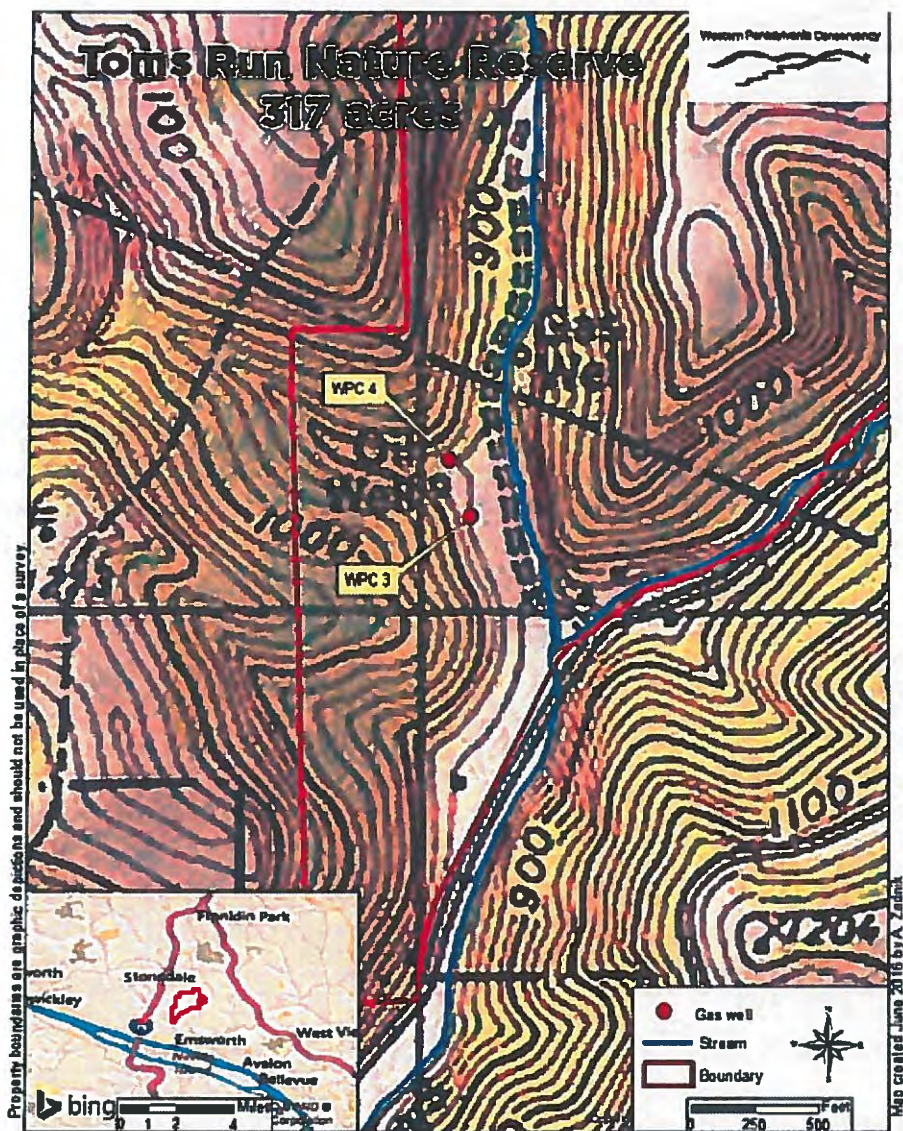
This letter is to notify you of Western Pennsylvania Conservancy's intent to apply for funding through the Orphan or Abandoned Well Plugging Program, administered by the PA Department of Community and Economic Development, for the purpose of plugging two abandoned wells on the Conservancy's Toms Run Nature Reserve in Ohio and Kilbuck townships. The wells are as follows:

Well Name: WPC 3
API: 003-22370
Municipality: Kilbuck Twp.
GPS Latitude: 40 31 52.8
GPS Longitude: -80 06 49.5

Well Name: WPC 4
API: 003-22371
Municipality: Kilbuck Twp.
GPS Latitude: 40 31 55.1
GPS Longitude: -80 06 50.6

A map indicating the location of the wells is below. Please feel free to contact me at 412-586-2318 or azadnik@paconserve.org if you have any questions.

Sincerely,

Andrew Zadnik
Director of Land Stewardship



Western Pennsylvania Conservancy
800 Waterfront Drive
Pittsburgh, PA 15222

Phone: 412 288-2777
Fax: 412 231-1414
info@paconserve.org
WaterLandLife.org



Toms Run Well Closure – Phase 2

Exhibit 11. Experience

Western Pennsylvania Conservancy (WPC) contracted to have two abandoned wells successfully plugged in 2015. Any similar work will be bid out to qualified contractors. For this grant application, cost estimates were prepared by Hydrocarbon Well Services, Inc. (Hydrocarbon). Hydrocarbon currently has operations in West Virginia and Pennsylvania. Its services include well plugging, well swabbing, well maintenance, well tending, and well servicing. It has been performing these services for the oil and gas industry for over 35 years. Below is the list of wells plugged since 2014.

2014:

- 1.Pa Dep- Denardo #11-8R2, TD 1800', Clean out job and swivel, (PA)
- 2.Pa Dep- Emergency Well, Hamilton #1, TD 318' Clean out job (PA)
- 3.Pa Dep- Graziano #2, TD 1600' (PA)
- 4.Penneco- Braddock, Drill out from 250' to 1608' (PA)
- 5.Penneco- Parry #1, clean out job, gas was leaking into hospital. TD 1100' (PA)
- 6.Vantage Energy- Bonar#600725, TD 3010' (PA)
- 7.Eqt- Jones Heirs #2, TD 2468' (WV)
- 8.Eqt- Jackson #1, TD 2130' (WV)
- 9.Eqt- Frasure #1, TD 1739' (WV)
- 11.Eqt- Messenger #8, TD 1922' (WV)
- 12.Eqt- Messenger # 3, TD 1865' (WV)
- 13.Eqt- Steinbeck #6, TD 1905' (WV)
- 14.Eqt- Messenger # 7256, TD 1538' (WV)
15. Eqt- Keller# W362R, TD 920' (WV)
- 16.Eqt- Steinbeck #4, TD 1948' (WV)
- 17.Eqt- Jones #1, TD 1990' (WV)
- 18.Eqt- Talbott #1252, TD 1740' (WV)
- 19.Eqt- Aubrey Jones #1, TD 1851' (WV)
- 20.Eqt- Lowther #1, TD 1814' (WV)

2015:

- 1.Eqt- Despard Heirs #1619, TD 1337' (WV)
- 2.Eqt- Tracy Nutter # 1, TD 2510' (WV)
- 3.EQT-Rosenberger #2, TD 1910', job was in housing development and gas had to be monitored. (PA)
- 4.A.T.I- Vandergrift, TD 3218', Set mechanical plugs, then cemented. (PA)
- 5.Eqt- Miles # 607245, TD 1593' (WV)
- 6.Eqt- Hathaway Heirs # 1-240, TD 1538' (WV)
- 7.Eqt- Blaney #102, TD 1900' (PA)
- 8.Eqt- Blaney #103, TD 2100' (PA)
- 9.Eqt- Tharp # 653651, TD 3340' (PA)
10. Eqt- Mollie Morgan, TD 2130 (WV) Limited location size, steep access road.
11. Eqt- Helmerick #485, TD 2455' (WV)

12. Noumenon- #3-9, CBM Well, TD 640' (WV)
13. Noumenon- #3-8, CBM Well, TD 372' (WV)
14. Noumenon- #3B4, CBM Well, TD 225' (WV)
15. Noumenon- 4B3, CBM Well, TD 497' (WV)
16. Noumenon- 4W2, CBM Well, TD 435' (WV)
17. Noumenon- # 15-12, CBM Well, TD 52' (WV)
18. Noumenon- # 11L2, CBM Well, TD 150' (WV)
19. Noumenon- #6L2, CBM Well, TD 170' (WV)
20. Noumenon- # 7L2, CBM Well, TD 30' (WV)
21. Noumenon- # 7B2, CBM Well TD 550' (WV)
22. Noumenon- #6B3, CBM Well, TD 480' (WV)
23. Noumenon- # 7B3, CBM Well, TD 851' (WV)
24. Noumenon- # 7B4, CBM Well, TD 120' (WV)
25. Noumenon- #6B4, CBM Well, TD 490' (WV)
26. Noumenon- #5B3, CBM Well, TD 110' (WV)
27. PaDep- Williams #1, Drilled out to 600' (PA)
28. Noumenon- 3-26, CBM Well, TD 90' (WV)
29. Noumenon- 3-23, CBM Well, TD 90' (WV)
30. Noumenon- 3L4, CBM Well, TD 64' (WV)
31. Sipe- Sipe #3, TD 2120' (PA)
32. Sipe- Sipe # 4, TD 2200' (PA)
33. SWN- Ward B1, TD 7484' (WV)

2016

- 1.Eqt- Speers #247, TD 2513', (PA)
- 2.Eqt- Whitesel #1, TD 2602', located on the Core of Engineers Property. (WV)
- 3.Eqt- GP Aaron # 1-594, TD 2440' (PA)
- 4.Eqt- Craig #245, TD 2420' (PA)
- 5.Eqt- Rittenhouse #608167, TD 2130', located on the Core of Engineers Property. (WV)
- 6.Eqt- Finster #607044, TD 2155' (WV)
- 7.Lane & Associates- Lane Unit #1, drill out and vent, TD 60' (PA) – middle of development within 10 feet of house
- 8.Eqt- Casto #1, TD 2785', (WV)
- 9.Eqt- Aaron #425, drill out, TD 1184' (PA)
10. Eqt- Gould #8138, TD 3659' (WV) – built a 2 mile road with switchbacks to reach location
11. Eqt- Smith #1, TD 1903' (WV)
12. Eqt- Walker #245, TD 4338'
13. NETL (Dept. Of Energy)- Merc #1, TD 2383' Well was in a parking lot near a welding shop located on Federal Government Property.