

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

In The Matter Of:

Equitrans, L.P.	:	2012 Oil and Gas Act
2200 Energy Drive	:	Jackson Township
Canonsburg, PA 15317	:	Cambria County

ORDER

Now, this 8th day of December 2022, the Commonwealth of Pennsylvania, Department of Environmental Protection (“Department” or “DEP”), has found and determined the following:

A. The Department is the agency with the duty and authority to implement, administer, and enforce Chapter 32 of Title 58 of the Pennsylvania Consolidated Statutes, 58 Pa. C.S. §§ 3201, et seq. (“2012 Oil and Gas Act”); Section 1917-A of the Administrative Code of 1929, Act of April 9, 1929, P.L. 177, *as amended*, 71 P.S. § 510-17 (“Administrative Code”); and the rules and regulations (“rules and regulations”) promulgated thereunder.

B. Equitrans, L.P. (“Equitrans”), is a Pennsylvania limited partnership engaged in, *inter alia*, oil and gas gathering, transportation, and storage in Pennsylvania and has a business address of 2200 Energy Drive, Canonsburg, PA 15317.

C. Equitrans is the “storage operator” as this term is defined in Section 3203 of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3203, of the Rager Mountain Gas Storage Reservoir (“Rager Field”), which is located in Jackson Township, Cambria County, Pennsylvania.

D. The Rager Field is an intrastate “storage reservoir”¹ as that term is defined in Section 3203 of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3203.

¹ Section 1 of the 2012 Oil and Gas Act defines the term “storage reservoir” to mean “that portion of a subsurface geological stratum into which gas is or may be injected for storage purposes or to test suitability of the stratum for storage.” 58 Pa. C.S. § 3203.

E. The Rager Field is comprised of a subsurface geologic formation into which natural gas is pumped and stored under pressure until the gas is removed for commercial use.

F. Equitrans is the “owner” and “well operator,” as those terms are defined in Section 3203 of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3203, of, the gas storage wells at the Rager Field listed below (collectively, the “Wells”). The Wells are located on “Well Sites,” as that term is defined in 25 Pa. Code § 78.1.

1. The George L. Reade 1 gas storage well, permit number 021-20005;
2. The Peoples Natural Gas 1 gas storage well, permit number 021-20789;
3. The Johnstown Rod and Gun #1 gas storage well, permit number 021-20012;
4. The Reade No. 7 gas storage well, permit number 021-21168;
5. The George L Reade No. 4 gas storage well, permit number 021-20790;
6. The George L Reade No. 4845 gas storage well, permit number 021-20040;
7. The Reade No. 6 gas storage well, permit number 021-21167;
8. The George L Reade No. 4676S gas storage well, permit number 021-20025;
9. The Maude E Bole gas storage well, permit number 021-20006;
10. The Rod & Gun No. 2 gas storage well, permit number 021-21169;
11. The Charles Miller No. 4500 gas storage observation well, permit number 021-20008; and,
12. The George Griffith gas storage observation well, permit number 021-20009.

G. The Wells are used to inject, withdraw, and monitor natural gas from the Rager Field.

Summary of Order

H. In this Order, the Department directs Equitrans to take necessary measures to ensure that health, safety, and the environment are protected from violations that have occurred, are occurring and/or could occur again, at the Rager Field. Equitrans has numerous violations with the Wells at the Rager field including the following: Equitrans had a well control emergency pursuant to 58 Pa. C.S. § 3203 of the 2012 Oil and Gas Act at the George L. Reade 1 gas storage well beginning on November 6, 2022 that caused a release of approximately 1.29 Bcf of natural gas to the atmosphere according to Equitrans; a leak at Equitrans' Peoples Natural Gas 1 gas storage well required the well to be temporarily plugged; and currently Equitrans has an emergent incident with the Johnstown Rod and Gun #1 gas storage well requiring that it to be temporarily plugged immediately.

Well integrity issues have been identified at the George L Reade and the Johnstown Rod and Gun #1 storage wells and the Department has measured gas leaking on the production annulus at all of the Wells except 021-21168. As one example, at the Peoples Natural Gas 1 well, the Department measured 40% methane on the annulus.² As demonstrated by the well control emergency at the George L. Reade 1 well, there is significant risk to the environment and human health and safety if that well or another of the Wells is not properly operated, monitored and plugged.

² The Lower Explosive Limit (100% LEL) for methane in air is 5% methane.

Equitrans' has failed to properly maintain and operate the Wells, and its continuing failure to minimize the potential for well control emergencies constitutes an ongoing threat to the environment and to human health and safety.

Background

I. On November 6, 2022, the George L Reade well began venting natural gas uncontrollably to the atmosphere at an estimated 100 million cubic feet of natural gas per day and leaked continuously until November 20, 2022. The venting of gas caused observable clouds to form over the well, leading to the Department's recommendation of a "no fly zone." Department personnel on-site also noted the sound of the well venting as being akin to a jet engine. Throughout the well control emergency, the Department noted frequent delays in bringing the well under control due to Equitrans and its emergency contractors' lack of necessary material and personnel on-site to promptly execute contingency plans.

J. On November 22, 2022, the Peoples Natural Gas No. 1 well was leaking gas at concentrations of 7% methane on the production annulus. On December 2, 2022, Equitrans detected methane on the production annulus and notified the Department that it had intended on temporarily plugging the well by installing two temporary plugs to stop the vertical flow of gas from within the wellbore. Pursuant to 25 Pa. Code § 78.402(a), Equitrans is required to inspect every storage well and observation well at least monthly and determine, *inter alia*, the open flow on the annulus of the production casing or the annulus pressure if the annulus is shut in, and if there is evidence of gas escaping from a well using measurement or best estimate of quantity.

K. On December 6, 2022 a retrievable bridge plug was set by Equitrans in the Peoples Natural Gas No. 1 well at 7,637 feet below ground surface, followed by a second retrievable bridge plug being set on December 7, 2022 at 7,594 feet below ground surface, and

lastly a junk basket was installed in the well at 7,592 feet below ground surface in an attempt to stop the leaking methane.

L. On December 8, 2022, during logging of the Johnstown Rod and Gun #1 well, Equitrans identified integrity issues with the well and has begun operations to temporarily plug the well.

M. The Wells were all leaking gas on the production annulus as observed by the Department as follows: 021-20005 at 10% methane; 021-20006 at 6% methane; 021-20008 at 10% methane; 021-20009 at 1.5% methane; 021-20012 at 0.80% methane; 021-20025 at 5% methane; 021-20040 at 0.15% methane; 021-20789 at 40% methane; 021-20790 at 2.95% methane; 021-21167 at 0.05% methane; and 021-21169 at 24% methane.

N. The Wells either do not have adequate construction (i.e., casing or cementing) or safety devices to stop the vertical flow of gas from outside of the production casing.

Equitrans Violated the 2012 Oil and Gas Act

O. As set forth in Paragraphs I-N, Equitrans' failures to stop the uncontrolled venting of natural gas from the Wells constitute violations of Sections 3219 and 3233(f) of the 2012 Oil and Gas Act, 58 Pa. C.S. §§ 3219 and 3233(f), and 25 Pa. Code § 78.74; the failure to maintain control of the Well is a violation of 25 Pa. Code §§ 78.73(a) and 78.81.

P. Equitrans' violations, as set forth above, constitute unlawful conduct under Section 3259 of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3259, subject Equitrans to civil penalty liability under Section 3256 of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3256, and subject Equitrans to the Department's authority to issue orders pursuant to Section 3253 of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3253. Additionally, Equitrans' failure to construct the Wells in

accordance with of Section 3219 of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3219, is a public nuisance under Section 3252 of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3252.

ORDER

NOW, THEREFORE, pursuant to Section 3253 of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3253, and Section 1917-A of the Administrative Code, 71 P.S. § 510-17, the Department hereby ORDERS that Equitrans shall take the following actions:

1. Cessation of injection of natural gas in Rager Field.

Equitrans shall *immediately* cease, discontinue and not inject natural gas into Rager Field until Equitrans has complied with all requirements of this Order and the Department has approved resumption of natural gas injection into Rager Field in writing.

2. Withdrawal Plan. Within ten (10) calendar days of receipt of this Order,

Equitrans shall provide a plan and a schedule to withdraw gas from the Rager Field (“Withdrawal Plan”) to the Department for approval. The Withdrawal Plan shall also include identification of criteria that would result in suspending operations of the reservoir and expediting the withdrawal of gas from Rager Field as described in Section 3233(e) of the 2012 Oil and Gas Act, 58 Pa. C.S. § 3233.

3. Monitoring. *Immediately* from the date of receipt of this Order and until the Department provides written approval to cease, Equitrans shall monitor the Wells and the surrounding soil up to 300 feet from the Wells for gas migration and mitigate and/or control gases coming from the Wells’ bores or migrating from the Wells.

4. Mechanical Integrity of the Wells. Within forty-five (45) calendar days of receipt of this Order or such other time period set forth by the Department in writing, Equitrans shall

conduct new mechanical integrity testing of each of the Wells and the Rager Field consistent with its integrity testing program (“MIT”) and submit the MITs to the Department.

5. Reconditioning and Plugging of the Wells. Within forty-five (45) calendar days of submittal of the MITs or such other time period set forth in writing by the Department, submit a plan and schedule to recondition, plug, or undertake other remedial measures at any of the Wells where (a) the MITs indicate such action should be taken or (b) for any of the Wells that are not cased and cemented in accordance with 25 Pa. Code, Chapter 78 (“Reconditioning Plan”), and shall submit the Reconditioning Plan for approval to the Department.

6. Third Party Audit.

a. Within thirty (30) days of receipt of this Order or such other time period set forth in writing by the Department, Equitrans shall retain an independent, qualified, third-party firm to conduct an audit of all storage wells, observation wells, and storage fields owned and/or operated by Equitrans in Pennsylvania (hereinafter “Audit”) and identify that firm to the Department.

b. The Audit shall assess all aspects of Equitrans’ storage field operations, including, but not limited to, its policies, workforce adequacy, compliance history, condition of its storage fields and wells, a reevaluation of the maximum storage pressure for each gas storage reservoir, and its preparedness for emergency incidents. The Audit shall include recommendations for improvements identified during the Audit, and a schedule for completion of each improvement.

c. Within one hundred twenty (120) days of receipt of this Order or such other time period set forth in writing by the Department, Equitrans shall ensure that all aspects of the Audit has been completed.

c. Within one hundred eighty (180) days of receipt of this Order, submit the findings, results and conclusions of the Audit in a report to the Department for review (“Report”). The Report shall also include a plan and schedule to address any issues or problems with Equitrans’ operations of storage field and/or its storage field assets identified during the Audit.

7. No Waiver of Civil Penalties. Nothing herein shall constitute a waiver of any claim for civil penalties that the Department may assert in the future for the above listed violations or any other violations the Department may determine to have occurred.

8. Reporting. Equitrans shall provide daily reports (“Reports”) in writing to the Department identifying what activities to comply with this Order have been initiated, furthered or completed that day, what activities are planned for the next day, and any issues which may delay or alter planned activities were discovered during that day. The Reports shall be due by 3:00 PM each day and are to be delivered via email to Daniel Counahan, April Weiland, and Justin Najewicz of the Department. The requirement to provide such reports shall not replace or supersede the obligation of Equitrans to report well control emergencies, or other information requested by the Department in a shorter time frame.

9. Documents. Equitrans shall fully address any deficiencies identified by the Department in the submission(s) required in this Order within three (3) calendar days of notice of the deficiency unless a different time is referenced in the Department’s notification of the deficiency(ies).

10. Correspondence with the Department. All correspondence regarding this Order other than those identified in Paragraph No. 8, above, shall be addressed to:

Attn. Daniel Counahan
Southwest District Oil and Gas Operations
Pennsylvania Department of Environmental Protection
400 Waterfront Drive
Pittsburgh PA 15222
412-442-4006
Email: dcounahan@pa.gov

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

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

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

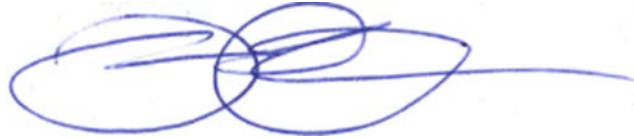
Appeals must be filed with the Board within 30 days of receipt of notice of this action unless the appropriate statute provides a different time. This paragraph does not, in and of itself, create any right of appeal beyond that permitted by applicable statutes and decisional law.

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

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

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

FOR THE COMMONWEALTH OF
PENNSYLVANIA, DEPARTMENT OF
ENVIRONMENTAL PROTECTION:

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Daniel F. Counahan
District Manager
Southwest District Oil and Gas Operations