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| (1) Agency | | | RECENTED OF ALL STRATES | | |
| Environmental Protection | | | | | |
| (2) I.D. Number (Governor's Offic | e Use) | | | | |
| 7-353 | | | IRRC Number: 7-353 2124 | | |
| (3) Short Title | 1 | | | | |
| Oil and Gas Well Amendments | | | | | |
| (4) PA Code Cite | (5) Agency Contacts & Telephone Numbers | | | | |
| 25 Pa. Code Chapter 78 | Primary Contact: Sharon Trostle, 783-1303 | | | | |
| | Secondary | y Contact: Ba | rbara Sexton, 783-1303 | | |
| (6) Type of Rulemaking (Check On | le) | (7) Is a 120- Attached? | -Day Emergency Certification | | |
| Proposed Rulemaking <u>X</u> Final Order Adopting Regula Final Order, Proposed Rulem | | | y the Attorney General | | |
| | | | y the Governor | | |
| (8) Briefly explain the regulation in | | • | - | | |
| This final rulemaking amends provis requirements, and notification proce regarding bonding. | - | | | | |
| (9) State the statutory authority for | the regulation a | nd any relevan | t state or federal court decisions. | | |
| provisions of the Act; Section 691.5 grants the Department the power and | nvironmental Q (b) of the Clean d duty to formu the provisions o | uality Board to Streams Law late, adopt, pr f the act; Secti | o adopt regulations to implement the (35 P.S. §§691.1-691.1001), which | | |

the activity creates a danger of pollution of the waters of the Commonwealth or that regulation is necessary to avoid pollution; Section 6018.105(a) of the Solid Waste Management Act (SWMA) (35 P.S. §§6018.101-6018.1003), which grants the Environmental Quality Board the power and duty to adopt the rules and regulations of the Department to carry out the provisions of the SWMA; and the Administrative Code of 1929 (71 P.S. §§ 510-1, 510-17, 510-20, 510-103, 510-104, *inter alia*. (10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

These regulations are being proposed for revision, among other reasons, to reflect the legislative changes of Act 57 of 1997, which eliminated the bonding requirement for oil and gas wells drilled prior to April 18, 1985.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

This proposal incorporates recommendations received during the Oil and Gas Customer Needs Project regarding standardizing the use of pits, clarifying terms, organization of the sections of the regulation, and where to find design criteria. It includes a recommendation regarding notification requirements for de minimis brine spill reporting. The Oil and Gas Technical Advisory Board suggested additional precautions regarding notification requirements to coal owners and gas storage operators as well as advance notice of procedures when drilling is proposed in relation to gas storage operations.

The public interest will be served by ensuring consistency, providing clarity, and making the regulations easier to read and interpret.

(12) State the public health, safety, environmental or general welfare risks associated with non-regulation.

Non-regulation is not an option in order for the Commonwealth to continue to maintain primary jurisdiction over the oil and gas industry in Pennsylvania.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

The proposal regarding elimination of the permit requirement for temporary pits will affect operators with active drilling or plugging programs. The renewal notification requirements will benefit coal owners and gas storage operators. The spill reporting proposal will benefit about 2,000 operators with active wells as well as reduce the Department's staff time to address reported de minimis spills.

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effect as completely as possible and approximate the number of people who will be adversely affected.)

Operators proposing to drill a well in a gas storage area will have to provide the storage well operator the details of how the operator intends to construct the well. There will be fewer than 20 occurrences each year.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

All active oil and gas well operators, who number approximately 2,000, and less than 200 underground coal mine operators, will be affected by these amendments.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who where involved, if applicable.

Numerous suggestions were received from the public and the industry during the Oil and Gas Customer Needs Project. The Technical Advisory Board reviewed and approved the proposal. Industry groups including the Independent Oil and Gas Association (IOGA), the Pennsylvania Oil and Gas Association (POGAM), and the Pennsylvania Independent Petroleum Producers (PIPP), participated in these forums. The proposed regulation was published in 30 Pa.B. 3065 on June 17, 2000, with a 30 day public comment period. Comments were received from 5 commentators and the Independent Regulatory Review Commission (IRRC). The comments were considered in the final version and several clarifying suggestions incorporated.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

These amendments are not expected to impose any additional costs on the regulated community.

Elimination of the requirement to report minor brine spills is minimal.

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

Local governments will not be affected by this proposal.

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting or consulting procedures which may be required.

There will be no additional cost or savings to state government resulting from this amendment. Although there may be some savings in time required to read and understand the program requirements associated with the clarification of the regulatory language and the time in processing forms, the savings are not quantifiable.

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(20) In the table below, provide an estimate of the fiscal savings and cost associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

| | Current FY | FY +1 | FY +2 | FY +3 | FY +4 | FY +5 |
|----------------------------|------------|-------|-------|-------|-------|--------------|
| | Year | Year | Year | Year | Year | Year |
| SAVINGS: | \$ | \$ | \$ | \$ | \$ | \$ |
| Regulated Community | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Government | NĄ | NA | NA | NA | NA | NA |
| State Government | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Savings | 0 | 0 | 0 | 0 | 0 | 0 |
| COSTS: | 0 | 0 | 0 | 0 | 0 | 0 |
| Regulated Community | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Government | NA | NA | NA | NA | NA | NA |
| State Government | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Costs | 0 | 0 | 0 | 0 | 0 | 0 |
| REVENUE LOSSES: | 0 | 0 | 0 | 0 | 0 | 0 |
| Regulated Community | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Government | NA | NA | NA | NA | NA | NA |
| State Government | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue Losses | 0 | Û. | 0 | 0 | 0 | 0 |

(20a) Explain how the cost estimates listed above were derived.

Although there may be some savings associated with clarification of regulatory language, there is insufficient data to determine specific amounts.

(20b) Provide the past three year expenditure history for programs affected by the regulation.

| Program | FY-3 | FY-2 | FY-1 | Current FY |
|-------------|-------------|-------------|-------------|-------------|
| Oil and Gas | \$3,279,871 | \$3,666,700 | \$3,826,726 | \$3,644,088 |
| | | | | |
| | | | | |

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

No additional cost should result from this proposal.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

No alternatives were available or considered.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

No alternative schemes were considered.

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

There are no companion federal requirements.

(25) How does the regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

The requirements are similar for oil and gas operations in the oil and gas producing states surrounding Pennsylvania.

This proposal will not put Pennsylvania at a competitive disadvantage with other states.

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

Other existing Pennsylvania regulations and regulations of other state agencies will not be affected.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

No hearings or meetings were scheduled or held on these proposed amendments.

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

Operators proposing to drill a well in proximity to a gas storage field will have to supply the Department and the gas storage operator with the plan of how the proposed well will be constructed. There is no specific form for this plan.

Operators of existing wells will not be required to report de minimis spills.

Operators conducting servicing or plugging operations will not be required to obtain a permit for temporary pits used for these operations.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

No special provisions are needed.

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

The regulations will go into effect upon publication in the *Pennsylvania Bulletin* as final rulemaking. No new permits, reports or approvals are required by this amendment.

(31) Provide the schedule for continual review of the regulation.

The regulations will be reviewed in accordance with the sunset review schedule published by the Department to determine whether the regulations effectively fulfill the goals for which they were intended.

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| FACE SHEET FOR FILING DOCUMENTS WITH THE LEGISLATIVE REFERENCE BUREAU | | | RECENTO | | |
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| Op below is hereby approved as to and legality. Attorney General OEPUTY ATTORNEY GENERALS DATE OF APPROVAL | Copy below is hereby certified to be a true and of a document issued, prescribed or promulgated DEPARTMENT OF ENVIRONMENTAL PR ENVIRONMENTAL QUALITY BOAR (AGENCY) DOCUMENT/FISCAL NOTE NO DATE OF ADOPTION: | by: ROTECTION | Copy below is hereby approved as to form and legality. Executive or Independ- ent Agencies. BT: <u>11901</u> OATE OF APPROVAL | | |
| neck if applicable opy not approved. Objections tached. | BY: JAMES M. SEIF, CHAIRMAN TITLE: JAMES M. SEIF, CHAIRMAN OR SEC | RETARY) | (Deputy General Counsel) (Ghiel Counsel, Independent Agency) (Strike inapplicable title) Check if applicable. No Attorney Gen- eral approval or objection within 30 days after submission. | | |

ORDER ADOPTING REGULATIONS

DEPARTMENT OF ENVIRONMENTAL PROTECTION ENVIRONMENTAL QUALITY BOARD

Oil and Gas Well Amendments

25 Pa. Code, Chapter 78

Notice of Final Rulemaking Department of Environmental Protection Environmental Quality Board 25 Pa. Code, Chapter 78 Oil and Gas Wells

Preamble

The Environmental Quality Board (Board) by this order amends 25 Pa. Code, Chapter 78 (relating to Oil and Gas Wells). Amendments are needed to reflect the statutory amendment of Act 57 of 1997, which eliminated the bonding requirement for oil and gas wells drilled prior to April 18, 1985. These amendments also clarify several sections, including brine spill reporting, notification requirements, permit requirements, disposal options, and requirements for drilling through a gas storage reservoir.

This order was adopted by the Board at its meeting of January 16, 2001.

A. <u>Effective Date</u>

These amendments will go into effect upon publication in the *Pennsylvania* Bulletin as final rulemaking.

B. <u>Contact Persons</u>

For further information, contact James Erb, Director of the Bureau of Oil and Gas Management, P.O. Box 8765, Rachel Carson State Office Building, Harrisburg, PA 17105-8765, (717) 772-2199, or Scott Perry, Assistant Counsel, Bureau of Regulatory Counsel, P.O. Box 8464, Rachel Carson State Office Building, Harrisburg, PA 17105-8464, (717) 787-7060. Persons with a disability may use the AT&T Relay Service by calling 1-800-654-5984 (TDD users) or 1-800-654-5988 (voice users). This proposal is available electronically through the DEP Web site (http://www.dep.state.pa.us).

C. <u>Statutory Authority</u>

The final rulemaking is adopted under the authority of Section 601.604 of the Oil and Gas Act (Act) (58 P.S. §§ 601.101-601.605), which directs the Environmental Quality Board to adopt regulations to implement the provisions of the Act; Section 691.5(b)(1) of the Clean Streams Law (CSL) (35 P.S. §§ 691.1-691.1001), which grants the Department the power and duty to formulate, adopt, promulgate and repeal rules and regulations necessary to implement the provisions of the CSL; Section 691.304 of the CSL, which grants the Department the power to

adopt, prescribe and enforce rules and regulations as may be necessary for the protection of the purity of the waters of the Commonwealth, or parts thereof, and to purify those now polluted, and to assure the proper and practical operation and maintenance of treatment works approved by the Department; Section 691.402(a) of the CSL, which grants the Department the authority to require by rules and regulations that activities be conducted under a permit or other conditions established by the Department whenever the Department finds that the activity creates a danger of pollution of the waters of the Commonwealth, or that regulation is necessary to avoid pollution; Section 6018.105(a) of the Solid Waste Management Act (SWMA) (35 P.S. §§ 6018.101-6018.1003), which grants the Environmental Quality Board the power and duty to adopt the rules and regulations of the Department to carry out the provisions of the SWMA; and the Administrative Code of 1929 (71 P.S. §§ 510-1, 510-17, 510-20, 510-103, 510-104).

D. Background of the Amendments

The final rulemaking is required to update the current regulations to reflect the legislated changes in Act 57 of 1997, regarding bonding for wells drilled prior to April 18, 1985. It incorporates recommendations received during the Oil and Gas Customer Needs Project regarding standardizing the use of pits, clarifying terms, organization of the sections of the regulations, and the placement of design criteria in the regulations. It also includes an additional recommendation regarding notification requirements for de minimis brine spill reporting. The Oil and Gas Technical Advisory Board suggested additional precautions regarding notification requirements to coal owners and gas storage operators as well as advance notice of procedures when drilling is proposed in relation to gas storage operations.

E. <u>Summary of the Amendments and Changes to the Proposed Rulemaking</u>

This section describes the substantive changes in the proposed rulemaking and those made at final rulemaking based on public comment.

Section 78.1. Definitions.

The amendments add a definition for "Reportable Release of Brine." This change provides clarification as to the quantity of spilled brine that must be reported. This definition is added in conjunction with § 78.66, Reporting Releases.

Section 78.17. Permit renewal.

The amendments add affected coal owners and gas storage operators to the persons who must be notified when an operator requests a permit renewal. This change provides consistency with other sections of the regulations that allow coal owners and gas storage operators the opportunity for notification and objection of well permits. The final version was changed to clarify that notice must be given to gas storage operators where the permit renewal is for a proposed well location without an underground gas storage reservoir or the reservoir protective area.

Section 78.53. Erosion and sediment control.

The amendment references the Best Management Practices for Oil and Gas Well Operators as part of the technical guidance found in the Oil and Gas Operators Manual. The title of the section is changed for consistency. The final version requires well operators to design and implement best management practices.

Section 78.56. Pits and tanks for temporary containment.

The amendments change subsection 78.56(a) to recognize additional operations that may result in the discharge of pollutional substances, and includes additional pollutional substances that must be contained. This section eliminates the permitting requirement for recompletion, servicing, and plugging pits, which are temporary in nature.

The amendments change paragraph 78.56(a)(4) to include drill cuttings from below the casing seat as a substance that must be considered when an operator is installing, constructing or maintaining the temporary pit.

The amendments add subparagraph 78.56(a)(4)(v) to clarify the maintenance requirement for pit liners.

Subsection 78.56(d) is amended to include pits used during servicing and plugging. At final rulemaking, the word "restored" was replaced with "removed or filled."

Section 78.59. Pits used during servicing and plugging.

The amendments delete this section because the changes to § 78.56 regulate the same pits.

Section 78.60. Discharge requirements.

The amendments change paragraph 78.60(b)(5) to clarify that discharge of tophole water may include accumulated precipitation, and that tophole water is more appropriately characterized as the discharge.

Section 78.61. Disposal of drill cuttings.

The amendments change subsections 78.61(a), (b), and (c) to add a leading description to each subsection.

The amendments add paragraph 78.61(b)(8) and amend subsection 78.61(a) to clarify that free liquid fraction must be disposed of in accordance with the proper discharge requirements. Paragraph (b)(8) is added for consistency with subsection (a).

Section 78.62. Disposal of residual waste—pits. Section 78.63. Disposal of residual waste—land application.

The amendments change paragraphs 78.62(a)(3) and 78.63(a)(3) to reflect the legislative changes that Act 57 of 1997 created. That Act eliminated the bonding requirement for on-site disposal of residual wastes at oil and gas wells drilled prior to April 18, 1985. Clarifying language was added to these sections at final rulemaking to specify that the requirements apply to wells drilled on or after April 18, 1985.

Section 78.66. Reporting releases.

The amendments add this section to clarify when a brine spill must be reported to the Department. This section also details the notification requirements for such a brine release. The title has been changed in the final version, and minor word changes were made in subsections (a) and (c).

Section 78.75. Alternative methods.

The amendments change subsections 78.75(c) and (d) to clarify who is to be notified when an alternate method of casing, plugging or equipping a well is proposed by the well operator. The amendment includes all potentially impacted parties, such as coal owners and gas storage operators. This amendment includes these owners and operators as individuals who may evaluate the impact the alternate method may have on their interests.

Section 78.76. Drilling within a gas storage reservoir area.

The amendments change subsection 78.76(a) to clarify that when a well operator proposes to drill within a gas storage area or reservoir protective area, the Department and the gas storage operator are to receive copies of the drilling proposal to allow them the opportunity to evaluate the impact on gas storage operations. Subsection (b) clarifies that the storage operator may object to the drilling, casing, and cementing plan or location of the proposed well. Subsection (c) is deleted here and moved to new section 78.87(a)(4).

Section 78.78. Pillar permit applications.

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The amendments add subsection 78.78(a) to recognize the Department's use of the most current coal pillar study when considering a coal pillar permit application. The most recent coal pillar study was developed in 1957 and is still valid. Several other states also use this study in determining pillar adequacy.

The amendments add subsection 78.78(b) to allow coal mine operators the opportunity to propose alternative adequate methods for developing a coal pillar. The final version references the applicable study in subsection (a).

Sections 78.81 and 78.87. General provisions, and gas storage reservoir protective casing and cementing procedures.

The amendments relocate and modify subsection 78.81(d) as new § 78.87 to improve clarity of the regulation.

Specific changes from § 78.81 to § 78.87 are:

- § 78.87 (a)(1) requires well operators to use drilling procedures capable of controlling anticipated gas flows and pressures when drilling from the surface to 200 feet above a gas storage reservoir or gas storage horizon. Deleted § 78.81 required such procedures "at all times".
- 2) Language deleted in § 78.81 (d)(2) that provided for mutual agreement between well operators and gas storage operators concerning well casing has not been included in § 78.87. This language has been modified and is included in § 78.76, Drilling within a gas storage reservoir area.

The final version clarifies that the protective area is the gas storage protective area.

Section 78.91. General provisions.

Section 78.92. Wells in coal areas-surface or coal protective casing is cemented.

Section 78.93. Wells in coal areas-surface or coal protective casing anchored with a packer or cement.

The amendments delete the word "expanding" from these three sections. The word "expanding" was used as an adjective to describe "cement." Cement expands upon curing; therefore, the use of the adjective is not necessary.

Section 78.302. Requirement to file a bond.

The amendments revise this section to reflect the legislative change of Act 57 of 1997, which eliminated the bonding requirement for oil and gas wells drilled prior to April 18, 1985.

Section 78.303. Form, terms and conditions of the bond.

The amendments delete paragraphs 78.303(a)(3) and (e)(3) to reflect the legislative changes of Act 57 of 1997.

Section 78.309. Phased deposit of collateral.

The amendments revise paragraph 78.309(a)(1) to reflect the legislative changes of Act 57 of 1997. The amendment states that an operator who has a phased deposit of collateral bond in effect as of the date of Act 57 (November 26, 1997) may maintain that bond. Due to the elimination of the bonding requirement for oil and gas wells drilled prior to April 18, 1985, operators can no longer qualify for a new phased deposit of collateral bond.

The amendments change subparagraph 78.309(a)(1) to provide that all of the operator's wells are included in the number of wells considered for the purpose of calculating an operator's annual deposit amount. This amendment reflects the legislative changes of Act 57 of 1997.

The amendments delete subparagraph 78.309(b)(1)(ii) because it only applied to pre-Act wells. This amendment reflects the legislative changes of Act 57 of 1997.

Section 78.310. Replacement of existing bond.

The amendments change this section to delete the fee-in-lieu-of bond option because new fee-in-lieu-of bonding is not allowed. This amendment reflects the legislative changes of Act 57 of 1997.

Section 78.901. Definitions

The amendments delete this section because the only definition listed is for the Natural Gas Policy Act, a federal program no longer delegated to the Department.

Section 78.903. Frequency of inspections.

The amendments delete subsection 78.903(17) in accordance with the Department's operation under the Oil and Gas Act, and not the federal Natural Gas Policy Act of 1978. The federal program was discontinued.

F. Summary of Comments and Responses on the Proposed Rulemaking.

The Board approved the proposed rulemaking on April 18, 2000, and it was published in the *Pennsylvania Bulletin* on June 17, 2000, with provision for a 30-day public comment period that closed on July 17, 2000. Comments were received from a total of 5 commentators and the Independent Regulatory Review Commission (IRRC).

The majority of comments suggested clarifying language which was incorporated in the final regulation. Several commentators had opposing views regarding the anticipated drilling date and drilling plan notification requirements for drilling through gas storage reservoirs. Comments suggesting that gas storage operators be given the authority to reject a well operator's drilling plan were not included in the final rulemaking. This ability to effectively veto the Department's permitting authority goes beyond the statutory provisions of the Oil and Gas Act. Comments suggesting that well operators be excluded from providing notice to gas storage operators were also not included in the final rulemaking. Providing notice of the anticipated drilling date and the drilling plan is important because pressure in a storage reservoir fluctuates from low pressures in the summer to high pressures in fall and winter. Thus, the date drilling is to occur impacts how an operator must plan. The changes to § 78.76 ensure that the storage reservoir is protected by allowing a storage operator to confirm that the well operator's drilling plan adequately provides for the anticipated storage reservoir pressures.

G. Benefits, Costs and Compliance

Executive Order 1996-1 requires a cost/benefit analysis of the final regulation.

Benefits

These amendments are needed to reduce unnecessary permitting and reporting requirements, standardize the use of pits, clarify terms, organize the sections of the regulation, and provide information as to where to find design criteria. The amendments include notification requirements for *de minimis* brine spill reporting. The Oil and Gas Technical Advisory Board suggested additional precautions regarding notification requirements to coal owners and gas storage operators as well as advance notice of procedures when drilling is proposed in relation to gas storage operations. The amendments also reflect the legislative changes of Act 57 of 1997. The oil and gas industry and the Department should realize savings in the form of reduced time and costs due to decreased permitting and reporting requirements and improved regulation clarity. The provision regarding elimination of the permit requirement for temporary pits will affect operators with active drilling or plugging programs. The renewal notification requirements will benefit coal owners and gas storage operators. The spill reporting provision will benefit about 2,000 operators with active wells as well as reduce the Department's staff time to address reported *de minimis* spills.

Compliance Costs

Operators proposing to drill a well in a gas storage area will have to provide the storage well operator the details of how the operator intends to construct the well. There will be fewer than 20 occurrences each year. This particular amendment will impose minimal additional compliance costs on the Department and the regulated community; however, these costs are likely to be offset by the overall savings of time and costs that are described in the Benefits section above.

Compliance Assistance Plan

The Technical Guidance for the coal pillar permit criteria is made available on the Department web site. The Best Management Practices (BMP) for Erosion and Sedimentation Control is made available in the Oil and Gas Operators Manual. Both of these documents are available from the contact persons listed in Section B of this preamble.

Paperwork Requirements

These amendments will reduce certain paperwork required for brine spill reporting and eliminate permits for certain pits.

H. <u>Sunset Review</u>

This regulation will be reviewed in accordance with the sunset review schedule published by the Department to determine whether the regulation effectively fulfills the goals for which it was intended.

I. <u>Regulatory Review</u>

Under Section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on ______, the Department submitted a copy of the notice of proposed rulemaking at 30 Pa. B. 3065, on June 17, 2000, to the Independent Regulatory Review Commission (IRRC) and the Chairpersons of the House and Senate Environmental Resources and Energy Committees.

Under Section 5(c) of the Regulatory Review Act, the Department also provided IRRC and the Committees with copies of the comments received, as well as other documentation. In preparing these final-form regulations, the Department has considered all comments received from IRRC and the public. The Committees did not provide comments on the proposed rulemaking.

Under Section 5.1(d) of the Regulatory Review Act (71 P.S. §745.5a(d)) this final-form regulation was deemed approved by the House and Senate Committees on ______, 2001. IRRC met on ______, 2001, and approved the amendments in accordance with Section 5.1(e) of the Regulatory Review Act.

J. <u>Findings of the Board</u>

The Board finds that:

- (1) Public notice of proposed rulemaking was given under Sections 201 and 202 of the Act of July 31, 1968 (P.L. 769, No. 240) (45 P.S. §§ 1201 and 1202) and regulations promulgated thereunder, 1 Pa. Code §§ 7.1 and 7.2.
- (2) A public comment period was provided as required by law, and all comments were considered.
- (3) These regulations do not enlarge the purpose of the proposal published at 30 Pa.B. 3065 (June 17, 2000).
- (4) These regulations are necessary and appropriate for administration and enforcement of the authorizing acts identified in Section C of this order.

K. Order of the Board

The Board, acting under the authorizing statutes, orders that:

(a) The regulations of the Department, 25 Pa. Code Chapter 78, are amended by amending §§ 78.1, 78.17, 78.53, 78.56, 78.59, 78.60, 78.61, 78.62, 78.63, 78.75, 78.76, 78.81, 78.91, 78.92, 78.93, 78.302, 78.303, 78.309, 78.310, 78.901, and 78.903 and adding 78.66, 78.78 and 78.87 to read as set forth in Annex A.

(b) The Chairperson of the Board shall submit this order and Annex A to the Office of General Counsel and the Office of Attorney General for approval and review as to legality and form, as required by law.

(c) The Chairperson shall submit this order and Annex A to IRRC and the Senate and House Environmental Resources and Energy Committees as required by the Regulatory Review Act.

(d) The Chairperson of the Board shall certify this order and Annex A and deposit them with the Legislative Reference Bureau, as required by law.

(e) This order shall take effect immediately upon publication in the *Pennsylvania Bulletin.*

BY:

JAMES M. SEIF Chairman Environmental Quality Board

ANNEX A

TITLE 25. ENVIRONMENTAL PROTECTION PART I. DEPARTMENT OF ENVIRONMENTAL PROTECTION Subpart C. PROTECTION OF NATURAL RESOURCES ARTICLE I. LAND RESOURCES

CHAPTER 78. OIL AND GAS WELLS

Subchapter A. GENERAL PROVISIONS

§ 78.1. Definitions.

* * * * *

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

* * * * *

<u>REPORTABLE RELEASE OF BRINE — SPILLING, LEAKING, EMITTING,</u>

DISCHARGING, ESCAPING, OR DISPOSING OF ONE OF THE FOLLOWING:

(i) MORE THAN 5 GALLONS OF BRINE WITHIN A 24-HOUR PERIOD ON OR

INTO THE GROUND AT THE WELL SITE WHERE THE TOTAL DISSOLVED SOLIDS

CONCENTRATION OF THE BRINE IS EQUAL OR GREATER THAN 10,000 MG/L.

(ii) MORE THAN 15 GALLONS OF BRINE WITHIN A 24-HOUR PERIOD ON OR INTO THE GROUND AT THE WELL SITE WHERE THE TOTAL DISSOLVED SOLIDS CONCENTRATION OF THE BRINE IS LESS THAN 10,000 MG/L.

* * * * *

Subchapter B. PERMITS, TRANSFERS AND OBJECTIONS

PERMITS AND TRANSFERS

§ 78.17. Permit renewal.

An operator may request a 1-year renewal of a well permit. The request shall be accompanied by a permit fee, the surcharge required in section 601 of the act (58 P. S. § 601.601), and an affidavit affirming that the information on the original application is still accurate and complete, that the well location restrictions are still met and that the surface owners, coal <u>OWNERS AND</u> operators, <u>GAS STORAGE OPERATORS, WHERE THE PERMIT RENEWAL IS FOR A PROPOSED WELL LOCATION WITHIN AN UNDERGROUND GAS STORAGE RESERVOIR OR THE RESERVOIR PROTECTIVE AREA, and water supply owners within [1000]1.000 feet have been notified of this request for renewal. The request shall be received by the Department at least 15 calendar days prior to the expiration of the original permit.</u>

Subchapter C. ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS § 78.53. Erosion and sediment[ation] control.

During and after earthmoving or soil disturbing activities, including the activities related to siting, drilling, completing, producing, servicing and plugging the well, constructing, utilizing and restoring the access road and restoring the site, the operator shall **DESIGN**, **IMPLEMENT** [construct, install]and maintain **BEST MANAGEMENT PRACTICES** [erosion and sedimentation control measures and facilities]in accordance with the requirements of Chapter 102 (relating to erosion and sediment control) and an erosion and sediment[ation] control plan prepared under that chapter. **BEST MANAGEMENT PRACTICES FOR OIL AND GAS WELL OPERATIONS ARE LISTED IN THE OIL AND GAS OPERATORS MANUAL**, COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF ENVIRONMENTAL

PROTECTION, GUIDANCE NO. 550-0300-001 (APRIL 1997), AS AMENDED AND UPDATED.

§ 78.56. Pits and tanks for temporary containment.

(a) Except as provided in §§ 78.60(b) and 78.61(b) (relating to discharge requirements; and disposal of drill cuttings), the operator shall contain pollutional substances and wastes from the drilling, altering [or], completing, <u>RECOMPLETING</u>, <u>SERVICING AND PLUGGING</u> the well, including brines, drill cuttings, drilling muds, oils, stimulation fluids, well treatment and servicing fluids, <u>PLUGGING</u> and drilling fluids other than gases in a pit, tank or series of pits and tanks. The operator shall install or construct and maintain the pit, tank or series of pits and tanks in accordance with the following requirements:

* * * * *

(4) A pit or tank that contains <u>DRILL CUTTINGS FROM BELOW THE CASING</u> <u>SEAT</u>, pollutional substances, wastes or fluids other than tophole water, fresh water and uncontaminated drill cuttings shall be impermeable and comply with the following:

* * * * *

(v) IF THE LINER DROPS BELOW THE 2 FEET OF FREEBOARD, THE PIT SHALL BE MANAGED TO PREVENT THE PIT CONTENTS FROM LEAKING FROM THE PIT AND THE 2 FEET OF LINED FREEBOARD SHALL BE RESTORED.

* * * * *

(d) Unless a permit under The Clean Streams Law (35 P. S. §§ 691.1—691.1001) or approval under § 78.57[,] <u>OR</u> § 78.58 [or § 78.59] (relating to control, storage and disposal of production fluids; <u>AND</u> existing pits used for the control, storage and disposal of production fluids [; and pits used during servicing and plugging]) has been obtained for the pit, the owner or operator

shall remove or fill the pit within 9 months after completion of drilling [or recompletion of the well], or in accordance with the extension granted by the Department under section 206(g) of the

act (58 P. S. § 601.206(g)). PITS USED DURING SERVICING, PLUGGING AND

RECOMPLETING THE WELL SHALL BE [RESTORED] REMOVED OR FILLED

WITHIN 90 DAYS OF CONSTRUCTION.

§ 78.59. [Pits used during servicing and plugging.] RESERVED.

[Pits used for servicing and plugging a well shall comply with § 78.57 (relating to control, storage and disposal of production fluids), except that:

(1) A variance may be requested from the standard of \$78.57(c)(2)(iii) for a pit that exists only during dry times of the year and is located above groundwater.

(2) The requirement that the liner thickness be at least 30 mils does not apply.

(3) The pit shall be restored within 90 days of construction of the pit.]

§ 78.60. Discharge requirements.

* * * * *

(b) The owner and operator may not discharge tophole water or water in a pit as a result of precipitation by land application unless the discharge is in accordance with the following requirements:

* * * * *

(3) The specific conductance of the discharge is less than 1,000 μ mHos/cm.

* * * * *

(5) [Tophole water] <u>THE DISCHARGE</u> shall be spread over an undisturbed, vegetated area capable of absorbing the tophole water and filtering solids in the discharge, and spread in

a manner that prevents a direct discharge to surface waters and complies with § 78.53 (relating to erosion and sedimentation control).

* * * * *

§ 78.61. Disposal of drill cuttings.

(a) <u>DRILL CUTTINGS FROM ABOVE THE CASING SEAT – PITS</u>. The owner or operator may dispose of drill cuttings from above the casing seat determined in accordance with § 78.83(b) (relating to surface and coal protective casing and cementing procedures) in a pit at the well site if the owner or operator satisfies the following requirements:

* * * * *

(6) The **FREE** liquid fraction of the waste shall be removed and disposed under § 78.60 (relating to discharge requirements).

* * * * *

(b) <u>DRILL CUTTINGS FROM ABOVE THE CASING SEAT – LAND APPLICATION</u>. The owner or operator may dispose of drill cuttings from above the casing seat determined in accordance with § 78.83(b) by land application at the well site if the owner or operator satisfies the following requirements:

* * * * *

(8) THE FREE LIQUID FRACTION IS DISPOSED [OF] IN ACCORDANCE WITH § 78.60 (RELATING TO DISCHARGE REQUIREMENTS).

<u>(9)</u> * * *

[(9)]<u>(10)</u> * * *

(c) <u>DRILL CUTTINGS FROM BELOW THE CASING SEAT</u>. [Drill cuttings and liquids from below the casing seat determined in accordance with § 78.83(b) shall be contained in a pit, tank

or a series of pits and tanks in accordance with § 78.56(a) (relating to pits and tanks for temporary containment).] After removal of the free liquid fraction and disposal in accordance with § 78.60 (relating to discharge requirements), [the remaining] drill cuttings <u>FROM BELOW</u> <u>THE CASING SEAT DETERMINED IN ACCORDANCE WITH § 78.83(b)</u> may be disposed of as follows:

* * * * *

§ 78.62. Disposal of residual waste—pits.

(a) After the removal and disposal of the free liquid fraction of the waste under § 78.60(a)
 (relating to discharge requirements), the owner or operator may dispose of residual waste,
 including contaminated drill cuttings, in a pit at the well site if the owner or operator satisfies the
 following requirements:

* * * * *

(3) The requirements of section 215 of the act (58 P. S. § 601.215) are satisfied by filing a surety or collateral bond for [the well and well site.] <u>WELLS DRILLED ON OR AFTER</u> <u>APRIL 18, 1985.</u>

* * * * *

§ 78.63. Disposal of residual waste—land application.

(a) The owner or operator may dispose of residual waste, including contaminated drill cuttings, at the well site by land application of the waste if the owner or operator satisfies the following requirements:

* * * * *

(3) The requirements of section 215 of the act (58 P. S. § 601.215) are satisfied by filing a surety or collateral bond for [the well and well site.] <u>WELLS DRILLED ON OR AFTER</u> <u>APRIL 18, 1985.</u>

* * * * *

§ 78.66. REPORTING [RELEASE] RELEASES [OF POLLUTING SUBSTANCES].

(a) A RELEASE OF A [POLLUTING] SUBSTANCE CAUSING OR THREATENING POLLUTION OF THE WATERS OF THIS COMMONWEALTH, SHALL COMPLY WITH THE REPORTING AND CORRECTIVE ACTION REQUIREMENTS OF § 91.33 (RELATING TO INCIDENTS CAUSING OR THREATENING POLLUTION).

(b) IF A REPORTABLE RELEASE OF BRINE ON OR INTO THE GROUND OCCURS AT THE WELL SITE, THE OWNER OR OPERATOR SHALL NOTIFY THE APPROPRIATE REGIONAL OFFICE OF THE DEPARTMENT AS SOON AS PRACTICABLE, BUT [WITHIN] NO LATER THAN 2 HOURS AFTER DETECTING OR DISCOVERING THE RELEASE.

(c) THE NOTICE REQUIRED BY SUBSECTION (b) SHALL BE BY TELEPHONE AND DESCRIBE:

(1) THE NAME, ADDRESS AND TELEPHONE NUMBER OF THE COMPANY AND PERSON REPORTING THE INCIDENT.

(2) THE DATE AND TIME OF THE INCIDENT OR WHEN IT WAS DETECTED.

(3) THE LOCATION AND CAUSE OF THE INCIDENT.

(4) THE QUANTITY OF THE BRINE [INVOLVED] RELEASED.

(5) AVAILABLE INFORMATION CONCERNING THE CONTAMINATION OF SURFACE WATER, GROUNDWATER OR SOIL. (6) <u>REMEDIAL ACTIONS PLANNED, INITIATED OR COMPLETED.</u>

(d) IF, BECAUSE OF AN ACCIDENT, AN AMOUNT OF BRINE LESS THAN THE REPORTABLE AMOUNT AS DESCRIBED IN § 78.1 (RELATING TO DEFINITIONS), SPILLS, LEAKS, OR ESCAPES, SUCH AN INCIDENT DOES NOT HAVE TO BE REPORTED.

(e) UPON THE OCCURRENCE OF ANY RELEASE, THE OWNER OR OPERATOR SHALL TAKE NECESSARY CORRECTIVE ACTIONS:

(1) TO PREVENT THE SUBSTANCE FROM REACHING THE WATERS OF THIS COMMONWEALTH.

- (2) TO RECOVER OR REMOVE THE SUBSTANCE WHICH WAS RELEASED.
- (3) <u>TO DISPOSE OF THE SUBSTANCE IN ACCORDANCE WITH THIS</u> <u>SUBCHAPTER OR AS APPROVED BY THE DEPARTMENT.</u> Subchapter D. WELL DRILLING, OPERATION AND PLUGGING

GENERAL

§ 78.75. Alternative methods.

* * * * *

(c) The well operator shall notify all coal <u>OWNERS AND</u> operators [affected by]<u>AND GAS</u> <u>STORAGE OPERATORS OF RECORD OF</u> the proposal, by certified mail. The well operator shall state in the application that he has sent the certified mail notice to the coal [OPERATOR] <u>OWNERS AND OPERATORS AND GAS STORAGE OPERATORS OF RECORD</u>, either

simultaneously with or prior to submitting the proposal to the Department.

(d) The coal <u>OWNERS AND</u> operators <u>AND GAS STORAGE OPERATORS OF RECORD</u>

shall have up to 15 days from their receipt of the notice to file objections or to indicate concurrence with the proposed alternative method or material.

* * * * *

§ 78.76. Drilling within a gas storage reservoir area.

(a) An operator proposing to drill a well within a gas storage reservoir area or a reservoir protective area to produce gas or oil shall forward by certified mail a copy of the well location plat, <u>THE DRILLING, CASING AND CEMENTING PLAN, AND THE ANTICIPATED</u> <u>DATE DRILLING WILL COMMENCE</u> to the gas storage reservoir operator and shall submit proof of notification to the Department with the well permit application.

(b) The storage operator may file an objection with the Department to the <u>DRILLING</u>,

CASING, AND CEMENTING PLAN OR THE PROPOSED WELL location within 15 days of receipt of the notification and request a conference in accordance with section 501 of the act (58 P. S. § 601.501).

[(c) When cementing casing in a well drilled through a gas storage reservoir, the operator shall insure that no gas is present in the drilling fluids in an amount that could interfere with the integrity of cementing the casing.]

§ 78.78. PILLAR PERMIT APPLICATIONS.

(a) THE DEPARTMENT WILL USE RECOMMENDATIONS FOR COAL PILLAR SIZE AND CONFIGURATION SET FORTH IN THE COAL PILLAR STUDY, LISTED IN THE DEPARTMENT'S COAL PILLAR TECHNICAL GUIDANCE NUMBER 550-2100-006 (OCTOBER 31,1998) AND ANY UPDATES OR REVISIONS, AS A BASIS FOR APPROVAL OR DISAPPROVAL OF COAL PILLAR PERMIT APPLICATIONS SUBMITTED BY UNDERGROUND COAL MINE OPERATORS. (b) WHERE PROPOSED COAL PILLAR SIZE AND CONFIGURATION DOES NOT CONFORM TO THE RECOMMENDATIONS OF THE [MOST CURRENT] COAL PILLAR STUDY REFERENCED IN SUBSECTION (a), THE UNDERGROUND COAL MINE OPERATOR MAY REQUEST DEPARTMENT APPROVAL FOR AN ALTERNATE COAL PILLAR SIZE AND CONFIGURATION.

CASING AND CEMENTING

§ 78.81. General provisions.

(a) The operator shall conduct casing and cementing activities under this section and
 §§ 78.82—[78.86]78.87 or an approved alternate method under § 78.75 (relating to alternative methods). The operator shall case and cement a well [in order] to accomplish the following:

* * * * *

[(d) A well drilled through a gas storage reservoir or a reservoir protective area shall be drilled, cased and cemented as follows:

(1) An operator shall use drilling procedures capable of controlling anticipated gas storage reservoir pressures at all times when drilling through a gas storage reservoir horizon. Operators shall use blow-out prevention equipment with a pressure rating in excess of the allowable maximum storage pressure for the gas storage reservoir before drilling into the gas storage reservoir or gas storage horizon.

(2) An operator shall run intermediate or production casing from a point located at least 100 feet below the gas storage horizon to the surface. The operator shall cement this casing by circulating cement to a point at least 200 feet above the gas storage reservoir or gas storage horizon. This casing which is intended to protect the gas storage reservoir and the well shall be

installed according to a procedure approved by the Department and established by mutual agreement between the well operator and the gas storage reservoir operator.]

§ 78.87. GAS STORAGE RESERVOIR PROTECTIVE CASING AND CEMENTING PROCEDURES.

(a) IN ADDITION TO THE OTHER PROVISIONS IN THIS SUBCHAPTER, A WELL DRILLED THROUGH A GAS STORAGE RESERVOIR OR A GAS STORAGE RESERVOIR PROTECTIVE AREA SHALL BE DRILLED, CASED AND CEMENTED AS FOLLOWS:

(1) AN OPERATOR SHALL USE DRILLING PROCEDURES CAPABLE OF CONTROLLING ANTICIPATED GAS FLOWS AND PRESSURES WHEN DRILLING FROM THE SURFACE TO 200 FEET ABOVE A GAS STORAGE RESERVOIR OR GAS STORAGE HORIZON.

(2) AN OPERATOR SHALL USE DRILLING PROCEDURES CAPABLE OF CONTROLLING ANTICIPATED GAS STORAGE RESERVOIR PRESSURES AND FLOWS AT ALL TIMES WHEN DRILLING FROM 200 FEET ABOVE A GAS STORAGE RESERVOIR HORIZON TO THE DEPTH AT WHICH THE GAS STORAGE PROTECTIVE CASING WILL BE INSTALLED. OPERATORS SHALL USE BLOW-OUT PREVENTION EQUIPMENT WITH A PRESSURE RATING IN EXCESS OF THE ALLOWABLE MAXIMUM STORAGE PRESSURE FOR THE GAS STORAGE RESERVOIR.

(3) TO PROTECT THE GAS STORAGE RESERVOIR, AN OPERATOR SHALL RUN INTERMEDIATE OR PRODUCTION CASING FROM A POINT LOCATED AT LEAST 100 FEET BELOW THE GAS STORAGE HORIZON TO THE SURFACE. THE OPERATOR SHALL CEMENT THIS CASING BY CIRCULATING CEMENT TO A POINT AT LEAST 200 FEET ABOVE THE GAS STORAGE RESERVOIR OR GAS STORAGE HORIZON.

(4) WHEN CEMENTING CASING IN A WELL DRILLED THROUGH A GAS STORAGE RESERVOIR, THE OPERATOR SHALL INSURE THAT NO GAS IS PRESENT IN THE DRILLING FLUIDS IN AN AMOUNT THAT COULD INTERFERE WITH THE INTEGRITY OF THE CEMENT.

(b) A REQUEST BY AN OPERATOR FOR APPROVAL FROM THE DEPARTMENT TO USE AN ALTERNATIVE METHOD OR MATERIAL FOR THE CASING, PLUGGING OR EQUIPPING OF A WELL DRILLED THROUGH A GAS STORAGE RESERVOIR UNDER SECTION 211 OF THE ACT (58 P.S. § 601.211) SHALL BE MADE IN ACCORDANCE WITH § 78.75 (RELATING TO ALTERNATIVE METHODS).

PLUGGING

§ 78.91. General provisions.

* * * * *

(c) When a well is being plugged from the attainable bottom, the operator shall install a 50foot plug of [expanding] cement at the attainable bottom and plug the remainder of the well under

§§ 78.92-78.98.

* * * * *

§ 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 and the well shall be filled with nonporous material from the total depth or attainable bottom of the well, to a point 20 feet above the top of the lowest stratum bearing or having borne oil, gas or water. At this point there shall be placed a plug of [expanding] cement, which shall extend for at least 50 feet above that point. Between this sealing plug and a point 20 feet above the next higher stratum bearing or having borne oil, gas or water, the hole shall be filled with nonporous material and at that point there shall be placed another 50-foot plug of [expanding] cement which will completely seal the hole. In like manner, the hole shall be filled and plugged, with reference to each of the strata bearing or 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 [expanding] 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 [expanding] cement shall be installed.

* * * * *

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

* * * * *

(2) [Expanding cement] <u>CEMENT</u> 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 [expanding] cement. Nonporous material shall separate each [expanding] 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 [expanding] 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 [expanding] 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.

* * * * *

§ 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 and the well shall be filled with nonporous material from the total depth or attainable bottom of the well, to a point 20 feet above the top of the lowest stratum bearing or having borne oil, gas or water. At this point there shall be placed a plug of [expanding] cement, which shall extend for at least 50 feet above that point. Between this sealing plug and a point 20 feet above the next higher stratum bearing or having borne oil, gas or water, the hole shall be filled with nonporous material and at that point there shall be placed another 50-foot plug of [expanding] cement which will completely seal the hole. In this manner, the hole shall be filled and plugged, with reference to each of the strata bearing or 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 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 [expanding] cement shall be installed.

* * * * *

(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[N] [expanding] 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 [expanding] cement. Nonporous material shall separate each [expanding] 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 [expanding] 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 [expanding] 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.

* * * * *

Subchapter G. BONDING REQUIREMENTS

§ 78.302. Requirement to file a bond.

For a well that has not been plugged, the owner or operator shall file a bond or otherwise comply with the bonding requirements of section 215 of the act (58 P. S. § 601.215) and this chapter. <u>A</u> <u>BOND OR BOND SUBSTITUTE IS NOT REQUIRED FOR A WELL DRILLED BEFORE</u> <u>APRIL 18, 1985.</u>

§ 78.303. Form, terms and conditions of the bond.

(a) The following types of security are approvable:

* * * * *

(3) [For operators who meet the requirements of section 215(d)(1) of the act
(58 P.S. § 601.215(d)(1)), a phased deposit of collateral bond as provided in § 78.309(a) (relating to phased deposit of collateral).

4] For individuals who meet the requirements of section 215(d.1) of the act, a phased deposit of collateral bond as provided in § 78.309(b).

* * * * *

(e) The bond amounts required under section 215 of the act are as follows:

* * * * *

[(3) For a fee in lieu of providing a bond one of the following:

(i) Fifty dollars annual nonrefundable payment per single well for one to nine wells.

(ii) Five hundred dollars annual nonrefundable payment for ten to twenty wells.

(iii) One thousand dollars annual nonrefundable payment for 21 to 200 wells.]

§ 78.309. Phased deposit of collateral.

(a) Operators.

(1) Eligibility. An operator who [seeks to satisfy the collateral bond requirements of the act

by submitting phased deposit of collateral under section 215(d)(1) of the act

(58 P.S. § 601.215(d)(1)), shall meet the following eligibility requirements:] HAD A PHASED

DEPOSIT OF COLLATERAL IN EFFECT AS OF NOVEMBER 26, 1997, MAY

MAINTAIN THAT BOND FOR WELLS REQUIRING BONDING, FOR NEW WELL

PERMITS AND FOR WELLS ACQUIRED BY TRANSFER.

* * * * *

[(ii) An operator shall have at least one well drilled prior to April 18, 1985.

(iii) An operator shall certify that the operator is unable to obtain a bond for a well drilled prior to April 18, 1985.

(iv)](ii) Under the following schedule, an operator shall make [an initial] <u>A</u> deposit with the Department of approved collateral prior to the issuance of a permit for a well <u>OR THE</u>

TRANSFER OF A PERMIT FOR A WELL, and shall make subsequent annual deposits and additional well payments[:]. FOR THE PURPOSE OF CALCULATING THE REQUIRED DEPOSIT, ALL OF THE OPERATOR'S WELLS ARE INCLUDED IN THE NUMBER OF WELLS.

| Number of wells | [Initial Deposit] | Annual Deposit | <u>PER</u> Addi- tional Well |
|---|----------------------|-------------------|---------------------------------|
| 1-10 with no intention to operate more than 10 | [\$250/well] | \$50/well | N.A. |
| 11-25 or 1-10 and applies for additional well permits | [\$2,000] | \$1,150 | \$150 |
| 26-50 | [\$3,000] | \$1,300 | \$400 |
| 51-100 | [\$4,000] | \$1,500 | \$400 |
| 101-200 | [\$8,000] | \$1,600 | \$1,000 |

[(v)](iii) An operator shall make the phased deposits of collateral as required by the bond.

* * * * *

(b) Individuals.

(1) *Eligibility*.

(i) An individual who seeks to satisfy the collateral bond requirements of the act by submitting phased deposit of collateral under section 215(d.1) of the act
(58 P. S. § 601.215(d.1)), may not drill more than ten new wells per calendar year. A well in which the individual has a financial interest[,] is to be considered one of the wells

permitted under this section. A partnership, association or corporation is not eligible for phased deposit of collateral under this subsection.

(ii) [An individual who seeks to submit phased collateral deposits shall attest to the individual's inability to obtain a bond.

(iii)] * * * [(iv)] <u>(iii)</u> * * * [(v)] <u>(iv)</u> * * *

§ 78.310. Replacement of existing bond.

(a) An owner or operator may replace an existing surety or collateral bond with another surety or collateral bond that satisfies the requirements of this chapter, if the liability which has accrued against the bond, the owner or operator who filed the first bond and the well operation is transferred to the replacement bond. An owner or operator may not substitute [a fee in lieu of a bond or] a phased deposit of collateral bond under section 215(d) and (d.1) of the act (58 P. S. § 601.215(d) and (d.1)) for a valid surety bond or collateral that has been filed and approved by the Department.

* * * * *

Subchapter X. STATEMENTS OF POLICY

INSPECTION POLICY REGARDING OIL AND GAS WELL ACTIVITIES

§ 78.901 [Definitions] (RESERVED).

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

NGPA—Natural Gas Policy Act of 1978 (15 U.S.C.A. § § 3301—3432 and 42 U.S.C.A. § 7255).]

§ 78.903. Frequency of inspections.

.

The Department, its employes and agents intend to conduct inspections at the following frequencies:

* * * * *

[(17) At lease once prior to the issuance of an NGPA determination.]

TITLE 25. ENVIRONMENTAL PROTECTION PART I. DEPARTMENT OF ENVIRONMENTAL PROTECTION Subpart C. PROTECTION OF NATURAL RESOURCES ARTICLE I. LAND RESOURCES CHAPTER 78. OIL AND GAS WELLS

COMMENT AND RESPONSE DOCUMENT

INDIVIDUALS AND ORGANIZATIONS THAT SUBMITTED COMMENTS ON THE PROPOSED OIL AND GAS REGULATIONS 7-353

l

| D | Name/Address | Zip | Submitted 1 pg Summary | Provided Testimony | Req Final Rulemaking |
|---|--|----------------|---------------------------|-----------------------|-------------------------|
| 1 | Mr. Keith A. Swanton Vice President Operations and Engineering T.W. Phillips Gas and Oil Co. 205 North Main Street Butler, PA | 16001 | | | |
| 2 | Mr. Mark M. Stephenson 912 McCormick Road Smicksburg, PA | 16256 | X | | |
| 3 | Dan Regan, President Pennsylvania Gas Association 800 North Third Street Harrisburg, PA | 17102- 2025 | | | |
| 4 | Mr. Stanley R. Geary Buchanan Ingersoll One Oxford Centre 301 Grant Street, 20th Floor Pittsburgh, PA | 15219- 1410 | | | |
| 5 | The Honorable Samuel H. Smith Pennsylvania House of Representatives House Post Office Box 202020 Harrisburg, PA | 17120- 2020 | | | |
| 6 | Mr. Robert E. Nyce Executive Director IRRC 333 Market Street 14th Floor Harrisburg, PA | 17101 | | | |

1

Comment and Response (#) Commentator Number

Comment: In Section 78.1 the commentator recommends that the reporting thresholds in the definition of reportable release of brine should be moved to Section 78.66 of the regulation. (6)

Response: The format for the spill reporting requirements in Chapter 78 are modeled after the existing regulations for the spill prevention program for storage tanks in Chapter 245. In Chapter 245, a reported release is defined in the definitions, and the requirement to report a reportable release are contained in the body of the regulation. The Department desires to maintain the format and disagrees that the change should be made.

Comment: Commentators point out that Section 78.17, which requires notice to parties within 1,000 feet of the well, is not clear as to whether the 1,000-foot limit is from a gas storage reservoir or a gas reservoir protective boundary. Additionally, as this is a renewal extending the time period for which a permit is valid as opposed to an application for a new well, they suggest the regulation clarify that no objections can be raised by any of the various owners so notified if there has been no change in any material or physical information on the original application. (2, 6)

Response: The Department agrees and has clarified in the final-form regulation that the notice is to include the reservoir and reservoir protective area. A permit renewal is only allowed when there has been no change to the condition of the originally proposed well. However, the Department disagrees that those notified should not be allowed to object since conditions at an underground gas storage reservoir, underground gas storage reservoir protective area, or an underground workable coal seam may have changed since the original well application was reviewed.

Comment: The last sentence of Section 78.53 relating to Erosion and Sedimentation Control refers the reader to the "best management practices" in the "Oil and Gas Operators Manual." The commentator suggests that the regulation should explain the application or purpose of the referenced document. (6)

Response: At final rulemaking the Department incorporated reference to best management practices in the first sentence of Section 78.53 so that it is consistent with the recently revised Chapter 102 regulations. This will also establish for the reader that the best management practices for oil and gas well operations are contained in the Department's publication "Oil and Gas Operators Manual."

Comment: In Section 78.56 (d) relating to pits, the commentator suggests that the word "restored" be replaced with "remove or fill the pit" in order to be consistent with the first sentence of the subsection. (6)

Response: The Department agrees and has made the change.

Comment: In Section 78.61(b)(8) relating to drill cuttings from above the casing seat - land application, the commentator suggests the term "liquid fraction" be amended to "free liquid fraction" to be consistent with Subsection (c). (6)

Response: The Department agrees and has made the change. The same change has been made to Section 78.61(a)(6) for consistency.

Comment: The commentator points out that Section 510-34 of the Administrative Code of 1929 (71 P.S. § 510-34) exempts any well drilled "prior to April 18, 1985." The regulation requires surety or collateral bonds for wells drilled "after April 18, 1985." Section 78.62 of the regulation should be consistent with the statute as to the drill date of a well. (6)

Response: The regulation has been amended to apply to wells drilled "on or after April 18, 1985" to be consistent with the statute. The same change has been made in Section 78.63 for consistency.

Comment: For clarity, the commentator suggested that the title of Section 78.66, Release of Polluting Substances, use the term "pollutant" because it is defined in Section 91.1 relating to Water Resources. (6)

Response: At final rulemaking, the Department has revised the title of Section 78.66 to Reporting Releases.

Comment: In Section 78.66 (c)(4) relating to quantity of brine, the commentator recommends that the phrase "the quantity of brine involved" be revised to "the quantity of brine released." (6)

Response: The Department agrees and has made the change.

Comment: In Section 78.66(e)(1)-(3) relating to Release of Polluting Substances, the commentator suggests that the term "substance" be replaced with the term "pollutant." (6)

Response: Using the term "substance" in Section 78.66 is consistent with Section 91.33. The Department disagrees that the change should be made.

Comment: The commentator opposed the proposed reporting requirements for releases of brine in Section 78.66 because he felt that it would impose more stringent requirements on oil and gas well operations than on other activities. The commentator proposed that the reporting should be measured by whether a spill would constitute an incident under the Clean Streams Law. (3)

Response: The Department's primary spill reporting and corrective action requirements are contained in 25 Pa. Code, Section 91.33. There are also program specific reporting requirements for releases from storage tanks (Chapter 245) and hazardous waste (Chapter 260a).

Proposed Section 78.66 was developed in response to an industry request regarding concern that the only safe way to assure compliance with Section 91.33 was to report every drip or leak, even if the amount was small and there was no potential for the substance to reach the waters of the Commonwealth. Section 78.66 was developed to address a *de minimis* amount of a brine spill that did not have to be reported. These amounts were developed with input from industry, the Water Management Program, the Waste Management Program and the Oil and Gas Program. It should be noted that these amounts are thresholds for reporting releases of brine. Releases that threatened surface or ground water, or release of oil or other substances such as fracturing fluids or drilling muds are subject to the reporting requirements of Section 91.33.

Comment: The commentator believes that Section 78.76(a), relating to drilling in a gas storage reservoir, has no statutory authority to require that a drilling, casing and cementing plan and notice of the anticipated drilling date be forwarded to a storage operator, only to the Department, and is a breach of an operator's confidential business operations. Additionally, an operator does not always have access to the necessary information to design a drilling, casing and cementing plan. The commentator believes the amendments to this subsection should be deleted. (2)

Response: The Department does not agree. Notification to underground gas storage operators falls within Section 102 (2), Declaration of purpose, of the Act (58 P. S. § 601.102). This section declares a purpose of the Oil and Gas Act to be: "Protect the safety of personnel and facilities employed in the exploration, development, storage and production of natural gas or oil or the mining of coal." The regulatory requirement that an operator forward to an underground gas storage operator a drilling, casing, and cementing plan and notification prior to drilling promotes that subsection. Providing notice of the anticipated drilling date and the drilling plan is important because pressure in a storage reservoir fluctuates from low pressures in the summer to high pressures in the fall and winter. Thus, the date drilling is to occur impacts how an operator must plan. The changes to § 78.76 ensure that the storage reservoir is protected by allowing a storage operator to confirm that the well operator's drilling plan adequately provides for the anticipated storage reservoir pressures.

Further, the Department believes that an operator should have sufficient information to design a drilling, casing, and cementing plan. Lack of this information on the part of the operator would call into question the safety and resource protection of issuing a drilling permit to the operator. If actual conditions of casing or cementing change from the plan submitted on first application for a well permit, there are provisions in the statute to accommodate this under Section 211, Alternative methods, of the Act. (58 P. S. § 601.211).

Comment: The commentator provided detailed language to amend Section 78.76(a) relating to the drilling, casing, and cementing plan to include the specific content of the plan. (1)

Response: The Department believes that Subchapter D of Chapter 78, relating to well drilling, operation and plugging, already addresses the procedures for drilling, casing and cementing and does not need to be duplicated in this section.

Comment: The commentators believe the word "or" in Section 78.76(b), as used in the phrase "drilling, casing and cementing plan or the proposed well," should be changed to "for." (2, 6)

Response: The Department does not agree. The storage operator may file an objection for the drilling, casing, and cementing plan which is for the well, but may also file an objection for the well location. The use of "or" provides for an objection of either one.

Comment: The commentator believes that the Section 78.78(b) reference to the "most recent coal pillar study" should be clarified by adding a reference to subsection (a). (6)

Response: The Department agrees and has made this change.

Comment: The commentator suggested specific language to add a new section to Section 78.87, relating to gas storage reservoir protective casing and cementing procedures, that would require a conference to be held if the gas storage operator files an objection of the drilling, casing and cementing plan or well location. (1)

Response: The Department believes this is already provided for in Section 78.76(b) and does not need to be duplicated in this section.

Comment: The commentators believe the casing and cementing provisions of §78.87 should not apply if the storage operator does not own the storage rights covering the tract of the proposed well or the storage operator is unable to obtain the storage rights. They believe it should also be clarified that nothing be construed to prevent the owner of native oil and gas from the right to produce the native oil and gas from the storage horizon. (2)

Conversely, a commentator believes the Department's action should be to deny the drilling, casing and cementing plan of a production well operator that involves perforation and fracturing within the storage horizon, when the storage operator demonstrates that it holds appropriate storage rights. (1)

Response: The Department disagrees. Issues of property rights, whether they deal with surface property rights or subsurface mineral rights, fall outside of the scope of regulation by the Department. The Department does not engage in determining mineral rights ownership or property rights ownership. The purpose is protection of public health and safety when drilling in proximity to a gas storage reservoir. The production rights of the storage horizon addressed in Section 601.401(b) of the act appear to be clear.

Comment: The commentator notes that Section 78.81(d) is being relocated and rewritten as new Section 78.87 to improve clarity, but is concerned because the provision of existing Section 78.81(d)(2) for the mutual agreement between the well operator and the gas storage reservoir operator has been deleted. (4)

Response: The Department believes the new Section 78.87 adequately addresses the previous Section 78.81(d) by providing the storage operator the opportunity to review and object to the drilling, casing and cementing plan required in Section 78.76(b).

Comment: The commentator believes a subsection should be added to Section 78.87 providing that gas storage operators have the right to review and obtain copies of drilling records, data and logs relating to drilling of a well through a gas storage reservoir or gas storage reservoir protective area. The reservoir operator should also be given the right to be present on site during operations relating to drilling through a gas storage reservoir, such as BOP testing, running and cementing of storage protection casing, and running of the cement bond log on the storage protection casing. (4)

Response: The Department does not believe that another subsection is needed for Section 78.87 to obtain well drilling records. Drilling records, data, and logs relating to the drilling of all wells are public information and are available for review in the appropriate office. The information of concern is adequately addressed in Section 601.401(b) of the Act.

Site access for third parties is beyond the authority of the enabling legislation which is limited to the Department in Section 508 of the Oil and Gas Act.

Comment: Commentators recommended that in Section 78.87(a), the term "reservoir protective area" should be prefaced by the terms "gas storage" to avoid any confusion. (4, 6)

Response: The Department agrees and will make the necessary changes.

Comment: The commentator suggested that Section 78.87(a)(1) and (2), related to drilling through a gas storage reservoir or reservoir protective area, be amended to incorporate specific blow-out prevention equipment testing. (4)

Response: The Department believes that existing Section 78.72, Use of safety equipment – blow-out prevention equipment, adequately addresses the commentator's concerns.

Comment: The commentator suggested that Section 78.87(a)(3) be revised to change the amount of intermediate or production casing that must be cemented above the gas storage reservoir or gas storage horizon from 200 feet to 500 feet. In addition, the wait time on the cementing operation should be increased to 24 hours and a cement bond log be run after the 24 hours cement waiting time. (4)

Response: The Department does not believe that increasing the amount of cement from 200 feet to 500 feet is warranted. The Oil and Gas Technical Advisory Board's recommendation is that 200 feet of cement is adequate.

The Department does not feel that an increase in the waiting time for cement to 24 hours is necessary. Section 78.85, Cement standards, already sets out the time necessary to wait for cement to set. Regarding the cement bond log, the log is not required unless performed in the ordinary course of business. However, if a cementing problem is observed, it would be addressed in accordance with Section 78.86, defective casing or cementing.

Comment: The commentator suggests that Section 78.87(b), relating to alternate methods, be revised to provide that the gas storage operator have the right to review and approve any

alternative methods or material for the casing, plugging or equipping of a well drilled through a gas storage reservoir. (4)

Response: The Department believes an underground gas storage operator has the opportunity to review and object to any alternative methods or material for the casing, plugging or equipping of a well drilled through a gas storage reservoir. This is already provided for in Section 78.76(b) with the gas storage operator receiving a copy of the plat and the drilling, casing, and cementing plan.

Comment: "Please accept this letter as an indication of my concern for the impact of these proposed regulations. I find the issues raised by Mr. Stephenson to be valid and worthy of a response." (5)

Response: The Department acknowledges the commentator's concern and has addressed Mr. Stephenson's comments in this document.

<u>EXHIBIT "A"</u> <u>WRITTEN COMMENTS; PROPOSED REGULATORY CHANGES; [25 PA CODE CH. 78]</u> <u>Oil and Gas Wells</u>

<u>\$78.17.</u> The proposed context of the notification for permit renewal appears to require notification of a gas storage operator within 1000 feet of the proposed well. The question arises of whether notification is required if the proposed well is within 1000 feet of a storage reservoir boundary, within 1000 feet of a reservoir protective boundary or if the intent is the same as the current process of original notification of a storage operator which is only in the event the proposed well is located within a storage reservoir or reservoir protective boundary. The proposed language should be clarified to only require notification of a storage operator of such renewal, if at the time renewal is sought, the proposed well is located within a gas storage reservoir or reservoir protective boundary. In addition the regulation needs context clarifying that no objections can be raised by any of the various owners so notified if there has been no change in any material or physical information on the original application, other than possible changes in ownership status of the interests requiring notification, as a renewal is merely the extension of the time period for which a permit is valid as opposed to it being an application for a new proposed well.

§78.76.(a) There appears to be no statutory authority for the requirement that an operator forward to a storage operator a drilling, casing and cementing plan. The notification to a storage operator of the anticipated date that drilling will commence is an absolute breach of an operator's confidential business operations. Under the Oil and Gas Act such prior notification of the commencement of drilling operations is very explicitly limited to the Department, the surface landowner and the local political subdivision in which the well is to be located. It is apparent that the legislature did not intend such notification to a storage operator. This commentator believes that an amendment to the Oil and Gas Act would be necessary to implement the notification proposed by this regulation. Aside from this issue, an operator and the Department does not always have access to the necessary information to design a drilling, casing and cementing plan upon the first application for a well perinit. A storage operator may refuse to provide information or may not know in some instances information relating to the depths of storage horizons, the legitimate storage reservoir or reservoir protective boundary delineation for storage horizons or possibly what horizons are being utilized for storage. In this vacuum of information an operator absolutely cannot be expected to develop and provide such a plan to the storage operator upon initial notification. This commentator believes that for the above reasons the entire proposed changes to this regulation be deleted until further clarifications are performed.

§78.76.(b) This commentator believes that the proposed new context should be changed to ... "the drilling, casing and cementing plan for the proposed well within 15 days".... This would clarify that objections by a storage operator be limited to the drilling, casing and cementing plan for the proposed well unless the storage operator would otherwise have grounds for objection under reasons for notifications that it may otherwise receive for the proposed well. This would make the regulation consistent with Section 601.401.(b) of the Oil and Gas Act.

§78.87. The casing and cementing provisions of this proposed regulation should not be applicable as follows: (A) in the event the storage operator does not own any existing storage rights covering the tract or portion thereof on which the proposed well is located. (B) the storage operator is unable to obtain storage rights, in accordance with Section 601.401.(a)(1)(2) and (c) of the Oil and Gas Act, covering the tract or portion thereof on which the proposed well is located. This would make the regulation consistent with the intent of the Oil and Gas Act under the above cited sections and including Section 601.102.(1). Other language should be added to this proposed regulation clarifying that nothing in this subchapter shall be construed to prevent the owner of native oil and gas or the Lessee thereof from the right to produce any native oil and gas from the storage horizon in the events recited above as (A) and (B).

Submitted by Mark M. Stephenson



Pennsylvania Department of Environmental Protection

Rachel Carson State Office Building P.O. Box 2063 Harrisburg, PA 17105-2063 February 6, 2001

The Secretary

717-787-2814

Mr. Robert E. Nyce Executive Director Independent Regulatory Review Commission 14th Floor, Harristown II Harrisburg, PA 17101

RE: Final Rulemaking: Oil and Gas Well Amendments (#7-353)

Dear Bob:

Pursuant to Section 5.1(a) of the Regulatory Review Act, enclosed is a copy of a final-form regulation for review by the Commission. This final rulemaking was approved by the Environmental Quality Board (EQB) on January 16, 2001.

This proposal amends Chapter 78 (oil and gas wells) to reflect legislative changes to Act 57 of 1997, which eliminated the bonding requirement for oil and gas wells drilled prior to April 18, 1985. The proposal also addresses several issues raised during the Oil and Gas Program's Customer Needs Project, permit appeals relating to drilling through gas storage reservoirs, and concerns expressed by the Oil and Gas Technical Advisory Board (TAB).

The proposed rulemaking was adopted by the EQB on April 18, 2000, and published on June 17. Six commentators responded, resulting in several minor clarifying changes at final rulemaking. The TAB reviewed the public comments and draft final rulemaking on September 26, 2000, and concurred with the revisions.

The Department will provide the Commission with any assistance required to facilitate a thorough review of this final-form regulation. Section 5.1(e) of the Act provides that the Commission shall, within ten days after the expiration of the committee review period, approve or disapprove the final-form regulation.

For additional information, please contact Sharon Trostle, Regulatory Coordinator, at 783-1303.

Sincerely,

James M. Seif Secretary

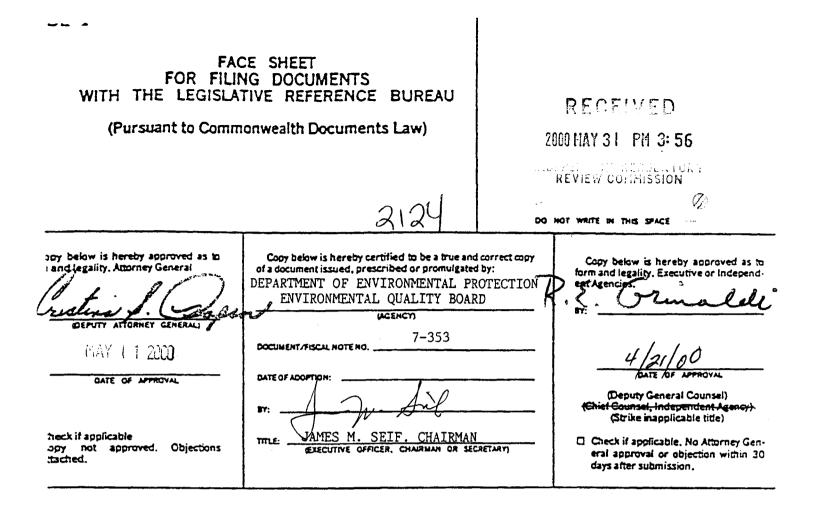
Enclosures

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TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE REGULATORY REVIEW ACT

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| | Final Regulation with Notice | of Proposed Rulemaking Omitted | | | |
| | 120-day Emergency Certification of the Attorney General | | | | |
| | 120-day Emergency Certification of the Governor | | | | |
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NOTICE OF PROPOSED RULEMAKING DEPARTMENT OF ENVIRONMENTAL PROTECTION ENVIRONMENTAL QUALITY BOARD

Oil and Gas Well Amendments

25 Pa. Code Chapter 78