pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Natural Gas Wells Owned and Operated by Homeowners

Private use of gas from a well for a home, farm, business, or industrial plant is regulated under Pennsylvania's Oil and Gas Act (Act 13 of 2012) and Chapter 78 of the *Pennsylvania Code*, which are administered by the Department of Environmental Protection (DEP).

The Oil and Gas Act requires the current operator of a well to be identified on a well permit or registration. **When buying or selling property with a well on it, conveying the deed to the new property owner is a separate transaction from transferring the well's operating permit.** Although the transfer of the well operating permit is not required to close the property sale, if it is not transferred through coordination with DEP, the original permit holder is still responsible to meet all the requirements of the Oil and Gas Act, regardless of who owns the land or the mineral estate.

For information about oil and gas rights and ownership, please read the DEP fact sheet titled "Landowners and Oil and Gas Leases in Pennsylvania."

What responsibilities does the owner incur upon acquiring a well operating permit?

- **Personal Safety:** If the property owner operates a well or has gas piped directly to their house from any producing well, **they are responsible for their own safety**; that is, safe control and use of the gas. The property owner is responsible for the piping, pressure regulators, and automatic shutoffs needed to keep the gas flowing properly and prevent leaks into the home. Unlike gas from a utility company, natural gas coming directly from a well may have no odor to alert homeowners to the presence of a leak. When acquiring a house with a gas well, or installing a gas line from a well, it is essential to have a qualified professional utility contractor inspect the system and perform any necessary installation or repair work.
- **Bonding:** If the well was drilled after April 17, 1985, it must be bonded. A bond for a single well is $2,500, as either a surety or collateral bond. Collateral can be cash, check, a certificate of deposit, or a letter of credit. Please contact the Oil and Gas Bond Clerk in the appropriate DEP district office (the map that follows) for explanations, options and the forms required to establish a bond.
- **Plugging:** The operator must plug an abandoned well. **A well is abandoned if it has not produced in the previous 12 months, or if the equipment necessary for production has been removed.** Plugging costs range from approximately $20,000 for a shallow well to many tens-of-thousands for deeper wells or wells with problems. Keep this possible expense in mind when buying a property with a well, or if considering accepting a well for home use from an operating company after the well's commercial production has been depleted.
- **Wastewater Disposal:** Many oil and gas wells produce brine which is a wastewater that must be collected and disposed of at approved facilities. Waste brine may be accepted for disposal at industrial waste treatment plants, waste disposal injection wells, and some municipal sewage plants. Costs for brine collection and disposal have increased significantly in recent years. A local well service contractor should be aware of approved waste disposal facilities in the area and it is recommended that they be consulted. Spreading brine on dirt roads for dust control requires DEP's approval and must follow a specific plan. Some townships accept brine free of charge for their road spreading use.
- **Annual Report:** The well operator must submit an annual report on the production of gas, oil, brine, and other waste designated for disposal. This must be done through DEP's website.
- **Mechanical Integrity Assessment:** Home-use wells must be inspected on a quarterly basis by either the property owner who operates the well or a contractor to ensure compliance with the Mechanical Integrity Assessment program. Additionally, an annual report must be filed through DEP's website or on paper forms provided by the agency. Inspection records must be maintained for five years.
- **Record Keeping:** Whether the property owner acquired a well by transfer, or applied for a permit to drill a well, they will receive official documents that they should keep to demonstrate that they are the current operator of the well. Likewise, if the property owner sells or gives away a well, they should keep copies

of any sale documents and transfer forms (as approved by DEP) that would show that they no longer have responsibility for the well.

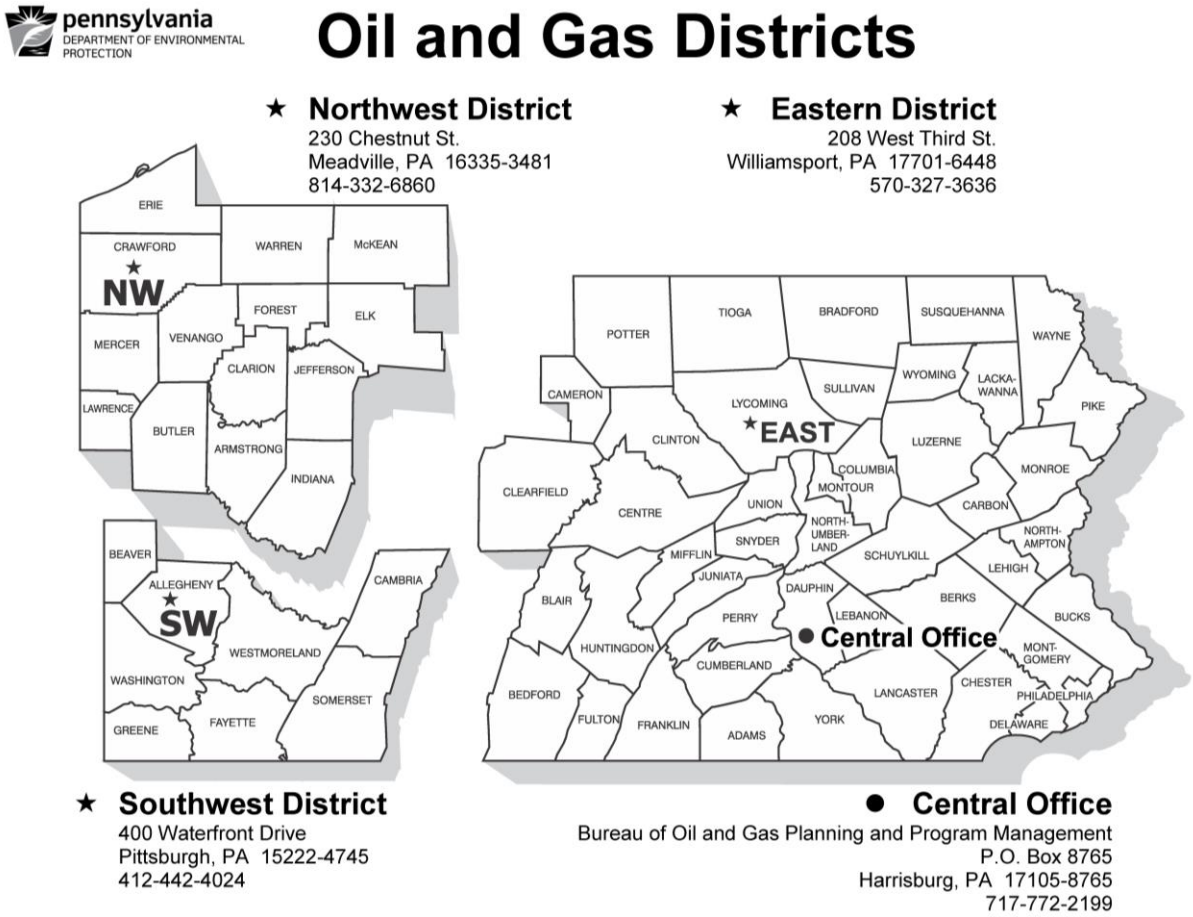
- **Water Supply Complaint Investigations:** In certain cases, a well's integrity may fail and allow for gas, oil or brine to contaminate private or public sources of drinking water, or other Commonwealth water resources. When water quality or other environmental issues result from a leaking well that is owned and operated by a homeowner, the homeowner will be required to address the environmental problems and remediate the well to prevent further degradation. This may involve hiring consultants or well service companies, which have the potential to introduce significant costs.

It is very important that homeowners, sellers, buyers, and realtors be aware of the obligations and potential costs of owning a gas well for residential use. Resolving these matters early in a property transfer will avoid potential liabilities for the seller and possible unpleasant surprises for the buyer. These considerations are also critical if a well operator offers to sell or give away a well that isn't producing enough gas for sale commercially.

If a property is purchased with an abandoned well that the property owner does not intend to operate, they should report it to DEP as soon as possible. The well may qualify for orphan well status, or be identified as abandoned. A new property owner with no previous association with the well would not likely have any further obligations under Pennsylvania's Oil and Gas Act.

For more information on oil and gas wells and operator's responsibilities, please contact the nearest DEP District Oil and Gas Management Program office or the Bureau of Oil and Gas Planning and Program Management. Addresses and phone numbers are shown on the map below:

This map shows DEP district office coverage by county for oil and gas activities. Please contact the regional office for information about well permits, transfers or bonds. Report complaints about wells to district offices.



For more information, visit www.dep.pa.gov.