



pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Oil and Gas Management



CFA Orphan or Abandoned Well Plugging (OAWP) Program

2018

Information for Potential CFA OAWP Grant
Applicants

CFA OAWP Program Summary

Grant source: Act 13 Marcellus Legacy Fund

Eligible projects: well plugging/stray gas mitigation systems/well venting

Application period: February 1st – May 31st

Maximum grant level: \$250,000 per project

Grant processing fee: \$100

Applicant cost sharing: “eligible applicant shall provide easements and rights-of-way, and landowner commitments”

Grant period: up to 3 years

CFA OAWP Program

<http://community.newpa.com/programs/orphan-abandoned-well-plugging-program-oawp/>

The screenshot shows the Pennsylvania Department of Community & Economic Development website. The header includes the PA logo and the department name, along with navigation links for Local Government, Housing & Development, Programs & Funding, Business Assistance, PA Advantages, and About Us. The main content area is titled "Orphan or Abandoned Well Plugging Program (OAWP)" and features buttons for Guidelines, Apply, Contact Us, and Print. The page is divided into sections: Overview, Uses, Funding, and Eligibility. The Overview section states that Act 13 of 2012 establishes the Marcellus Legacy Fund and allocates funds to the Commonwealth Financing Authority for funding orphan or abandoned well plugging projects. The Uses section lists projects involving the cleaning out and plugging of abandoned and orphan oil and gas wells; stray gas mitigation systems; and well venting projects. The Funding section indicates a maximum of \$250,000 for any project. The Eligibility section lists Municipalities and Authorized Organization. On the right side, there are sections for Program Details, Program Categories (Grant), Funding Types (Business, Community, Local Governments), and More Programs (Ben Franklin Technology Development Authority Keystone Innovation Zones (KIZ) - Archived, Act 47, Business in Our Sites Loans (BOS) Program Guidelines - Archived, Industrial Sites Reuse Program (ISRP)).

Orphan or Abandoned Well Plugging Program (OAWP)

Guidelines Apply Contact Us Print

Overview

Act 13 of 2012 establishes the Marcellus Legacy Fund and allocates funds to the Commonwealth Financing Authority for funding orphan or abandoned well plugging projects using the Orphan or Abandoned Well Plugging Program (OAWP). Pennsylvania has hundreds of thousands of oil and gas wells drilled since 1859. This program provides a mechanism to plug abandoned and orphaned wells that have the potential to cause health, safety or environmental concerns.

Uses

Projects which involve the cleaning out and plugging of abandoned and orphan oil and gas wells; stray gas mitigation systems; and well venting projects.

Funding

There is a maximum of \$250,000 for any project.

Eligibility

Municipalities

Authorized Organization

Program Details

Program Categories

Grant

Funding Types

Business
Community
Local Governments

More Programs

Ben Franklin Technology Development Authority
Keystone Innovation Zones (KIZ) - Archived

Act 47

Business in Our Sites Loans (BOS) Program
Guidelines - Archived

Industrial Sites Reuse Program (ISRP)

CFA OAWP Eligible Applicants

- Eligible applicants:
 - Municipalities
 - Councils of Government
 - Non-Profits
 - Colleges/Universities
 - Watershed Organizations
 - For-Profit Businesses

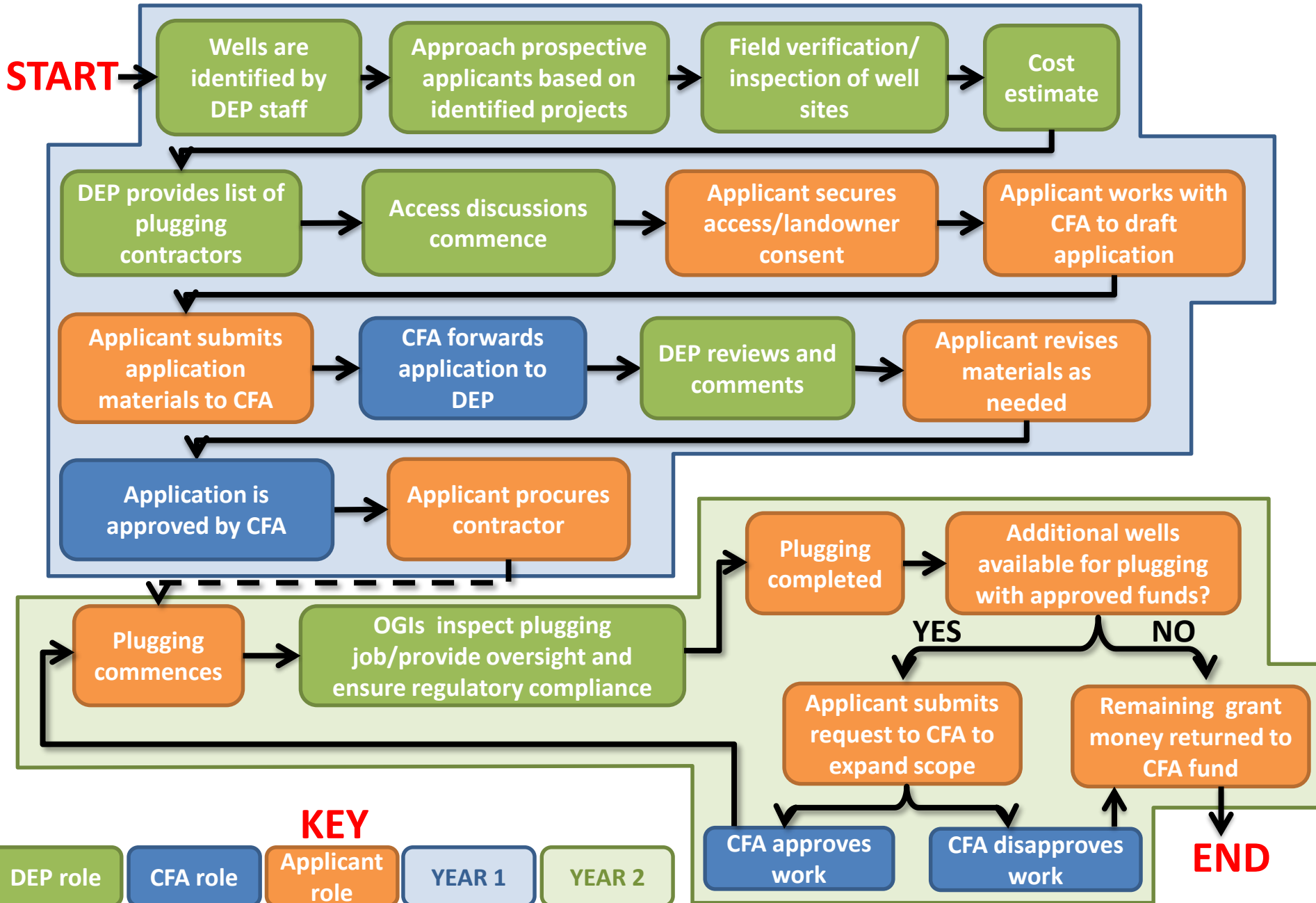
CFA OAWP Eligible Applicants

- Eligibility Caveats:
 - Watershed Organizations
 - DEP-recognized watershed organizations must be incorporated
 - DCNR-recognized watershed organizations must have a primary mission of river conservation and 501 (c)(3) status, and must be established under Pennsylvania law, authorized to do business in the Commonwealth and Registered with the Commonwealth's Bureau of charitable organizations
 - For more information visit pawatersheds.org

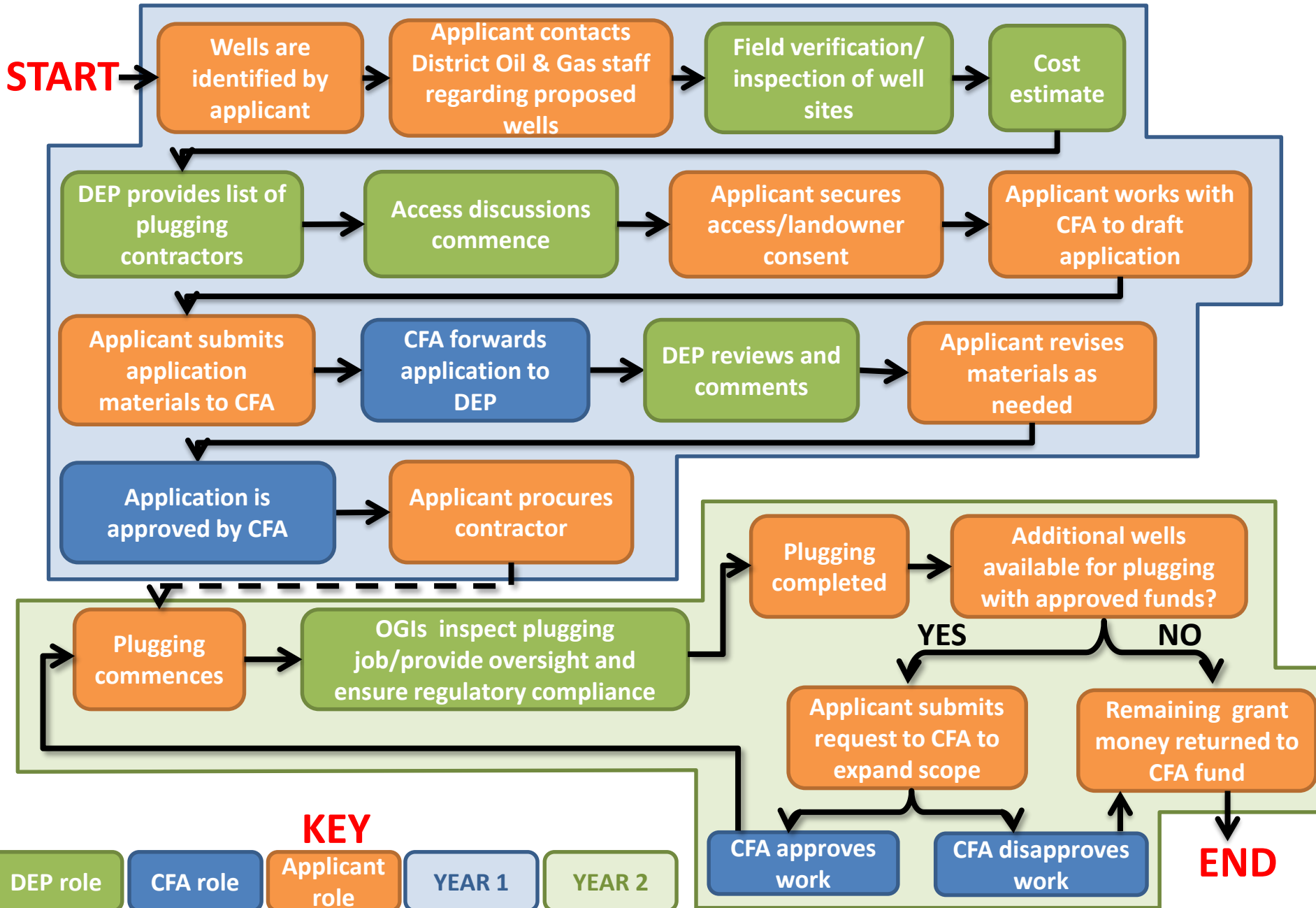
CFA OAWP Eligible Applicants

- Eligibility Caveats:
 - For-Profit Businesses
 - Companies who specialize in plugging are not eligible to complete work that is part of a grant package they submitted
 - Unconventional operators are not eligible to apply for a CFA OAWP Program grant

CFA OWAP Grant Process Flow Diagram: DEP Initiated



CFA OWAP Grant Process Flow Diagram: 3rd Party Initiated



DEP Role – “The Middleman”

- Provide outreach and education (Central Office/Districts along with CFA Office)
- Communicate eligible wells/projects to grantees (Central Office/Districts)
- **Assist with grant application process (Central Office/Districts along with CFA Office)**
 - Field checks/access negotiations/cost estimates (Districts)
 - Make available list of DEP approved contractors (Central Office)
- Review submitted applications and recommend any necessary modifications (Central Office/Districts)
- Plugging inspections (Districts)

▶ Applicant Liability Protection

- Applicants may also choose to submit a Good Samaritan Law application to the Department of Environmental Protection (DEP), which protects landowners, groups and individuals who volunteer to do environmental reclamation projects from civil and environmental liability.
- For more information, please visit DEP's website at www.dep.state.pa.us, Keyword: "Reclaim PA."

▶ Applicant Liability Protection

- Eligible Good Samaritan applicants include:
 - Landowners who provide access to the project site without compensation
 - Individuals, corporations, non-profit organizations, and government entities whom:
 - Provide equipment, materials or services for the project for no profit;
 - Did not cause or create the abandoned mineral extraction land or water pollution;
 - Were not ordered by the state or federal government to do the work;
 - Are not performing the work under a contract for profit, such as a competitive bid project or a Government-Financed Construction Contract; and
 - Are not the surety that issued the bond for the site.

CFA OAWP Process

- Determining project costs
 - DEP Oil and Gas staff are able to provide plugging cost estimates
 - Estimates may also be provided by plugging operators
- Site access must be secured prior to grant application submittal
- The applicant should seek competitive bids for the project, although a project may continue even when only a single bid is received and some applicants are not subject to procurement laws

CFA OAWP Process

- Administration costs are capped at 2% of the total grant amount
- Applicants may request up to an additional 5% to cover contingency costs
- Projects must be completed within the timeframe agreed upon in the proposal and may not exceed 3 years

CFA OAWP Process

- Fund distribution
 - Applicant submits a payment request every 30 days
 - The applicant can either pay the contractor and list “PAID” on the payment request form or list “Cost Incurred” on the form
 - Reimbursement from the CFA typically occurs within a week

▶ CFA OAWP Application Requirements

- Applicants must complete the Department of Community and Economic Development Single Application for Assistance
- Eleven exhibits must be submitted along with the application – these are detailed in the slides that follow

CFA OAWP Application Requirements

- **Exhibit 1:** A project narrative inclusive of the following information: a detailed map; historical information justifying the need for the project; the number of homes, individuals, businesses, and/or industrial sites that will benefit from the project; the scope of work and cost-effectiveness of the project.
- **Exhibit 2:** A well data sheet that includes: API number (if known), well operator (if known), well farm name, 7 1/2" U.S.G.S. topographic map location, directions to the well, well location, well casing strings as noted/measured at the surface, and well condition.

CFA OAWP Application Requirements

- **Exhibit 3:** A detailed construction cost estimate depicted as a Schedule of Unit Prices showing the breakdown of itemized quantities and prices, prepared by an engineer or other qualified professional.
- **Exhibit 4:** A set of construction drawings showing project details including but not limited to plans, profiles, payment section, structural details, erosion and sedimentation control plan, and miscellaneous details.

CFA OAWP Application Requirements

- **Exhibit 5:** List of all state, federal, and local planning and permit approvals that will be needed.
- **Exhibit 6:** Funding commitment letters from all other project funding sources **if applicable** (including equity commitments). Letters should include the term, rate, and collateral conditions and must be signed and dated.
- **Exhibit 7:** The most recent financial statements of the applicant including balance sheets, income statements and notes to financials.

CFA OAWP Application Requirements

- **Exhibit 8:** A statement detailing the amount of grant funding requested.
- **Exhibit 9: For public sector applicants only,** a resolution duly adopted by the applicant's governing board formally requesting the grant, designating an official to execute all documents, describing briefly the project scope, and identifying the grant amount.
- **Exhibit 10:** Copies of notifications provided to county and municipal governing bodies advising them of the proposed project.
- **Exhibit 11:** A listing of all oil and gas well plugging experience.

Summary

- Abandoned, orphan, and improperly plugged wells pose many risks to human health and environment and, in some cases, render land unusable for development or occupation
- Grant opportunities through the CFA are available for the mitigation of these risks
- DEP Oil and Gas staff are dedicated to assisting potential applicants

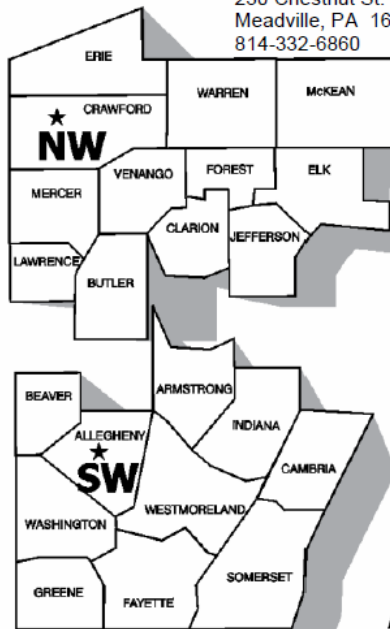
Contact Information



Oil and Gas Districts

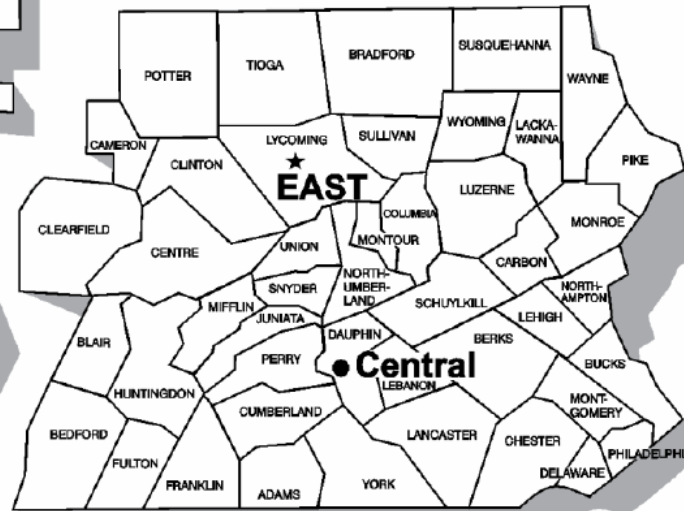
★ Northwest District

230 Chestnut St.
 Meadville, PA 16335-3481
 814-332-6860



★ Eastern District

208 West Third St.
 Williamsport, PA 17701-6448
 570-327-3636



★ Southwest District

400 Waterfront Drive
 Pittsburgh, PA 15222-4745
 412-442-4024

● Central Office

Bureau of Oil and Gas Planning and Program Management
 P.O. Box 8765
 Harrisburg, PA 17105-8765
 717-772-2199

Contact Information

Lindsay A. Byron, Licensed Professional Geologist

lbyron@pa.gov

Stewart Beattie, Environmental Planner 2

stebeattie@pa.gov

Serena Oldhouser, Licensed Professional Geologist

seoldhouse@pa.gov

Well Plugging and Subsurface Activities Division

717.772.2199