

# Proposed Rulemaking

## **Chapter 78 – Oil and Gas Wells Permit Fees**

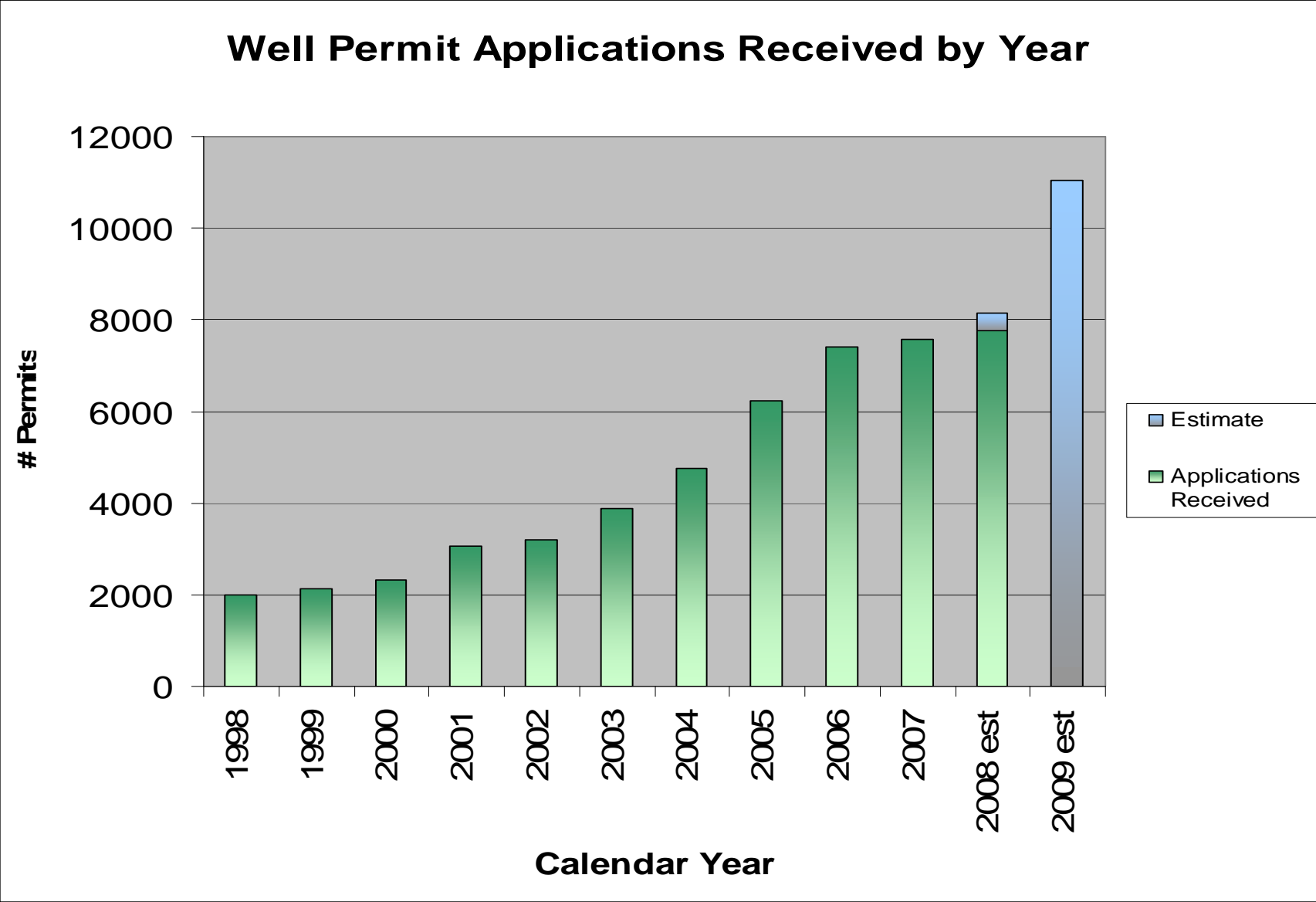
## **Chapter 78 – Oil and Gas Wells Permit Fees**

- Application fee of \$100 established in 1984 by the Oil and Gas Act.
- Application fee not updated since first established.
- Significant increase in oil and gas well drilling activity in last several years.
- Increases in non-traditional areas and different development techniques.

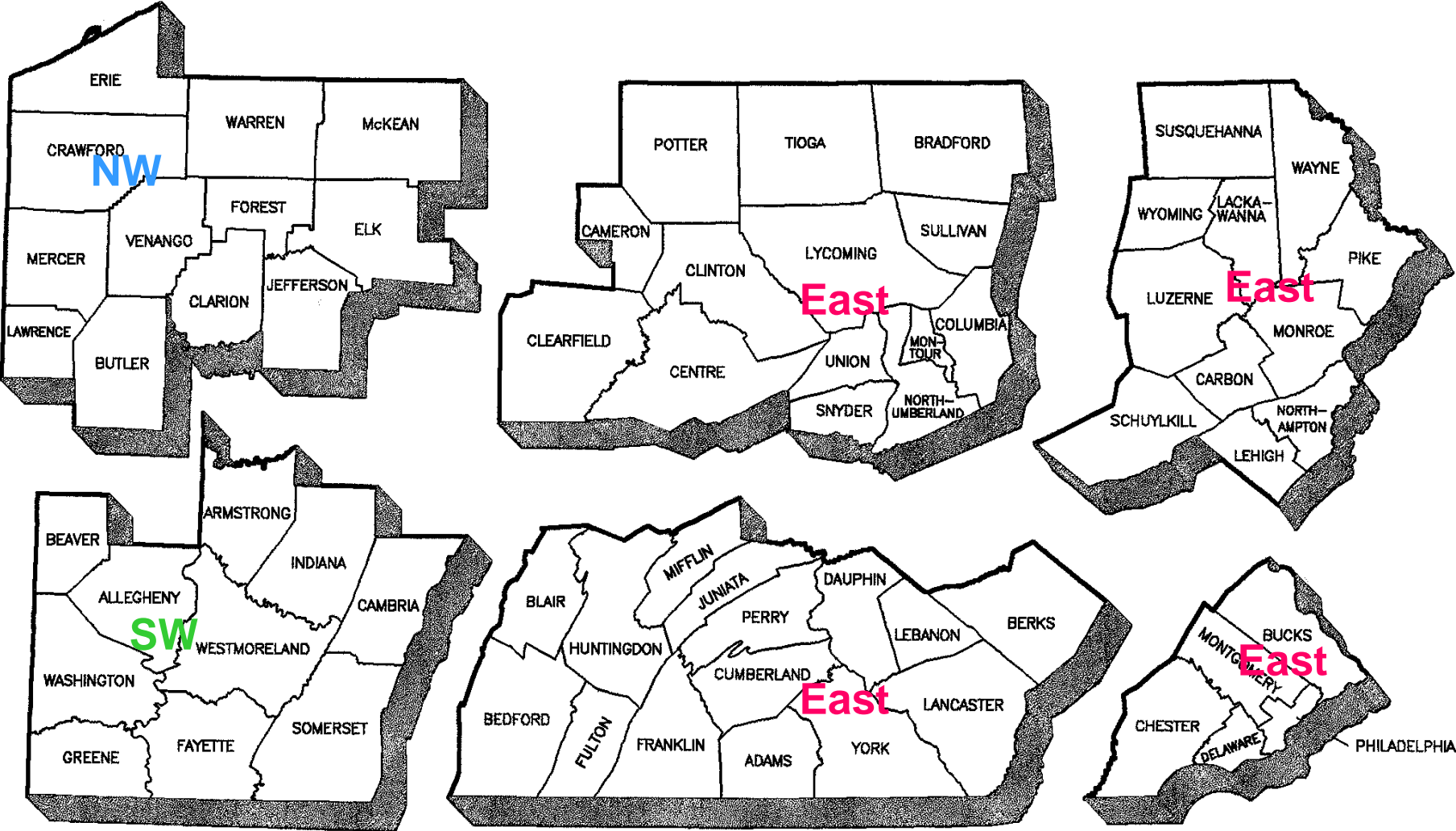
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- Section 201 (d) of the Oil and Gas Act provides the Department with the authority to increase the fee by regulation so that it may bear “a reasonable relationship to the cost of administering” the Act.

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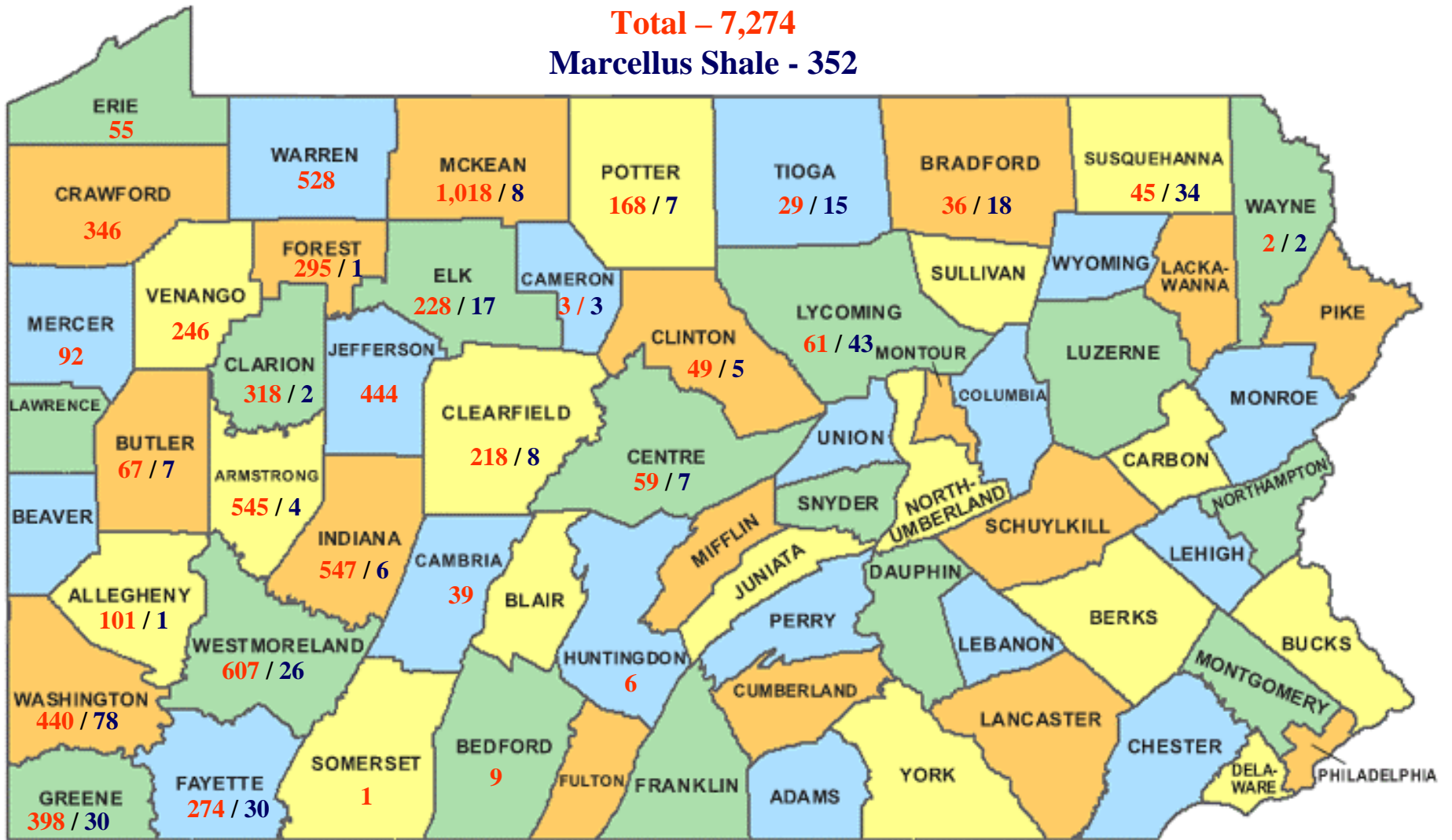


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Wells Permitted 2008 January thru November

12/02/2008

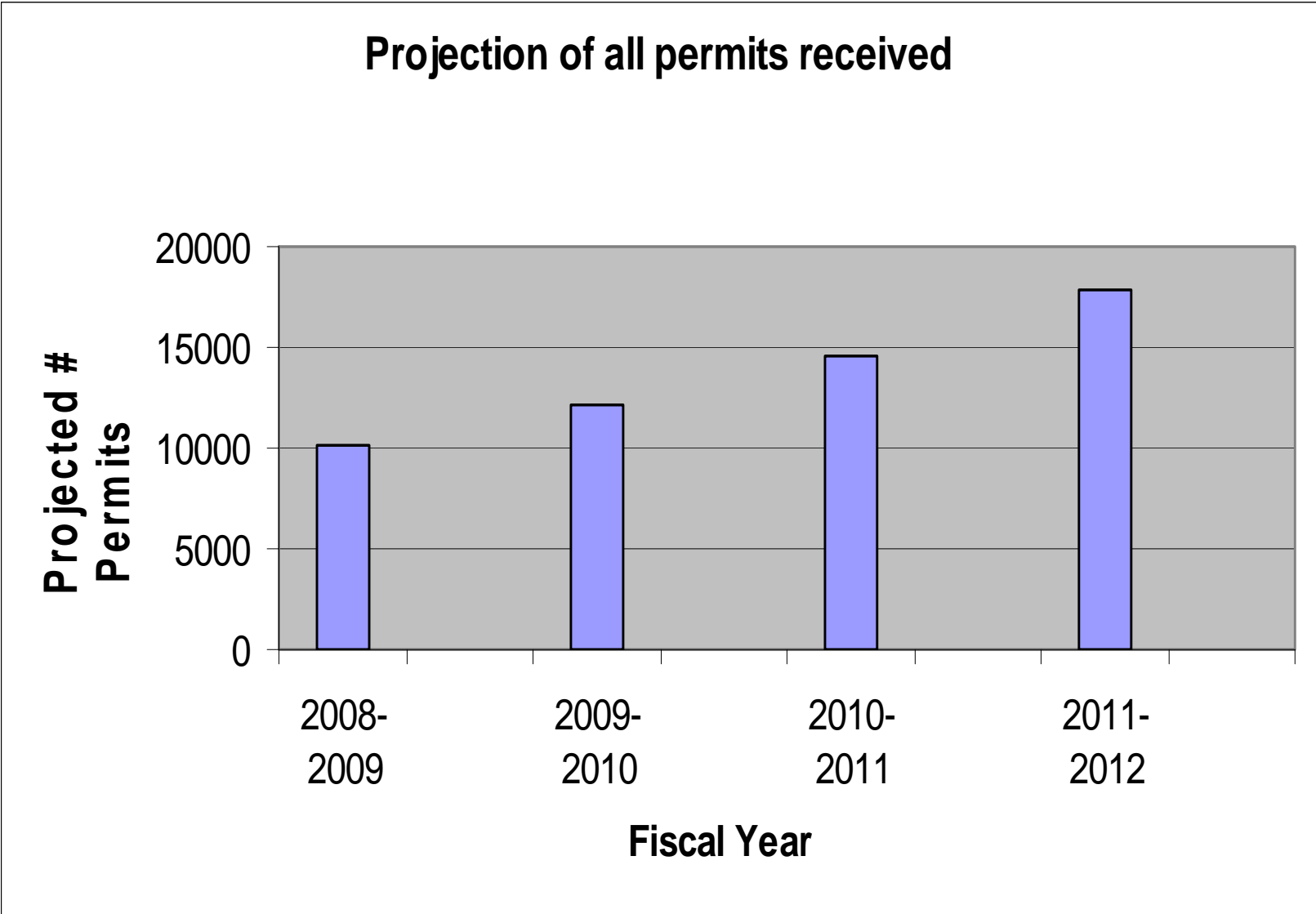
**Total – 7,274**  
**Marcellus Shale - 352**



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## **Chapter 78 – Oil and Gas Wells Permit Fees**

The proposed rulemaking adds §78.19 to include:

- A vertical well base fee of \$250 with an additional \$50 per 500 feet of well bore drilled from 2,000 feet to 5,000 feet and an additional \$100 per 500 feet for the well bore drilled past 5,000 feet.



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- Non-vertical wells and Marcellus - would have a base fee of \$900 with an additional \$100 per 500 feet of well bore beyond 1,500 feet.

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- A home use well 1,500 feet or less would pay a permit application fee of \$200.

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- A 10% administrative fee is added for drilling beyond the depth identified in the application.

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### Typical well type application fees

- Less than 1,500' Home Use - \$200.
- 4,000' Vertical Well – \$450.
- 10,000' Marcellus/non-vertical well - \$2,600.

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- **At least every three years, the department will provide the Environmental Quality Board with an evaluation of the fees in this chapter and recommend changes to address any disparity between the program income generated by the fees and the department's cost of administering the program with the objective of ensuring fees meet all program costs and programs are self-sustaining.**

## **Chapter 78 – Oil and Gas Wells Permit Fees**

- A draft of this regulation was presented to the Oil and Gas Technical Advisory Board (TAB) on October 30, 2008.
- The Department recommends the Board approve the proposed rulemaking with a 30-day public comment period. No public meetings are planned.

# **Chapter 78 – Oil and Gas Wells Permit Fees**

**Thank You**

**J. Scott Roberts**

Deputy Secretary

Office of Mineral Resources Management