

## Natural Gas Wells Owned and Operated for Home or Consumptive Use

Private use of gas from a well for a home or consumptive use (e.g., natural gas supply for a home, farm, business or industry plant) is regulated under Pennsylvania's 2012 Oil and Gas Act (58 Pa.C.S. §§ 3201-3274) and Title 25, Chapter 78 of the *Pennsylvania Code*, which are administered by the Department of Environmental Protection (DEP). A home or consumptive use well is a well producing natural gas solely for consumptive use by the permitted or registered operator of the well.

The 2012 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 for meeting 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 operator of a home or consumptive use well incur upon acquiring a well operating permit?

- **Personal Safety:** If the operator of a home or consumptive use well has gas piped directly to their property from any producing well, **they are responsible for their own safety**; that is, safe control and use of the gas. As an operator, they are also responsible for the piping, pressure regulators, and automatic shutoffs needed to keep the gas flowing properly and prevent leaks into a home or other property. Unlike gas from a utility company, natural gas coming directly from a well may have no odor to alert users to the presence of a leak. When acquiring a home or other property 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, the operator of a home or consumptive use well must acquire a bond for a single well in the amount of \$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 of a home or consumptive use well must plug the well upon abandonment. **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. This possible expense should be considered when buying a property with a well or deciding whether to accept a well for home or consumptive 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 and waste disposal injection wells. Costs for brine collection and disposal have increased significantly in recent years. It is recommended that the operator of a home or consumptive use well consult a local well service contractor who should be aware of approved waste disposal facilities in the area and associated collection and disposal costs.
- **Annual Report:** The operator of a home or consumptive use well 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:** The operator of a home or consumptive use well must inspect it on a quarterly basis or hire a contractor to ensure compliance with the Mechanical Integrity Assessment program. Additionally, the operator of a home or consumptive use well must file an annual report through DEP's website or on paper forms provided by the agency. These inspection records must be maintained for five years.

- **Record Keeping:** Whether the operator of a home or consumptive use well 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 they sell or give 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 home or consumptive use well operator, they 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 at a significant cost to the home or consumptive use well operator.

It is very important that homeowners, sellers, buyers, and realtors be aware of the obligations and potential costs of owning and operating a gas well for home or consumptive 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 commercial well operator offers to sell or give away a well that is not producing enough gas for sale commercially.

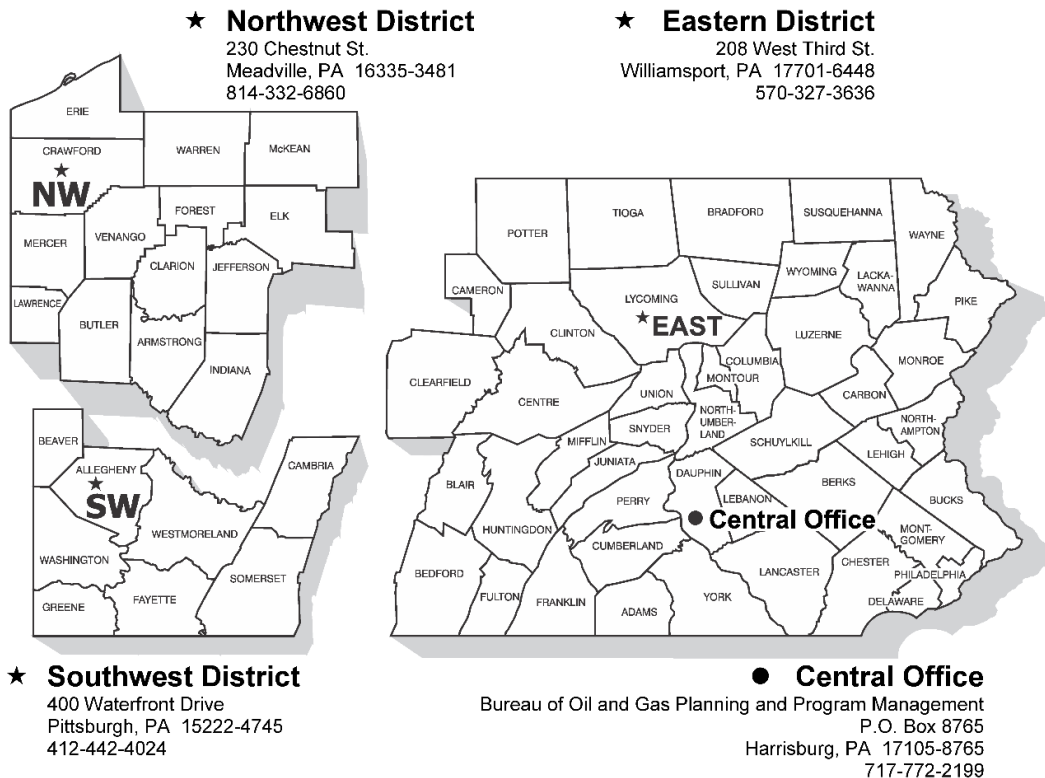
**If a property is purchased with an abandoned well that the property owner does not intend to operate, they should report it to DEP as soon as possible.** The well may qualify for orphan well status or be identified as abandoned. A new property owner with no previous association with the well would 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 Operations 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.



# Oil and Gas Districts



For more information, visit [www.dep.pa.gov](http://www.dep.pa.gov).