



June 2, 2020

VIA EMAIL

Christy Fulton
LPR Energy, LLC
2 E Market Street, Suite 1
Clearfield, PA 16830

Re: Application for Inactive Well Status
PMG Baird 1H (111-20297)
AUTH ID# 1315562
Addison Township
Somerset County

Dear Ms. Fulton:

On May 22, 2020, LPR Energy, LLC ("LPR" or "You") submitted an Application for Inactive Well Status ("Applications") requesting an annual extension of LPR's previously approved Inactive Status for the PMG Baird 1H well (the "Well"). The Application states that construction of a pipeline has been delayed. The Pennsylvania Department of Environmental Protection (DEP) denies the Application for the reasons set forth below.

Pennsylvania's Oil and Gas Act (58 Pa.C.S. §§ 3201 - 3274) requires that any well that has not been used to produce, extract or inject gas, petroleum, or other liquids within the preceding 12 months, or any well which the equipment necessary for production, extraction, or injection has been removed, or any well, not considered dry, not equipped for production within sixty (60) days after drilling, redrilling, or deepening, is considered an abandoned well, unless the well is granted inactive status (58 Pa.C.S. § 3203). Upon application, the Department may grant inactive status for a period of five (5) years for a permitted or registered well if the application meets the requirements of Section 3214 of the Oil and Gas Act (58 Pa.C.S. § 3214) and Sections 78.101 to 78.102 of the Department's regulations (25 Pa. Code §§ 78.101-78.102). A well granted inactive status shall be plugged in accordance with Section 3220 of the Oil and Gas Act (relating to plugging requirements, 58 Pa. C.S. § 3220) or returned to active status within five years of the date inactive status was granted, unless the owner or operator applies for an extension of inactive status which may be granted on a year-to-year basis if the department determines that the owner or operator has demonstrated an ability to continue meeting the requirements of Section 3214 of the Oil and Gas Act and the owner or operator certifies that the well will be of future use within a reasonable period of time (58 Pa.C.S. § 3214).

LPR drilled the Well in 2011. There has been no production from the Well. The Application did not include a viable plan to utilize the Well within a reasonable timeframe.

DEP finds that LPR's request for an annual extension of Inactive Status fails to meet the requirements Section 3214 of the Oil and Gas Act because the You did not certify that the Well will be of future use within a reasonable period of time.

Accordingly, DEP hereby denies your request for an annual extension of Inactive Status.

The DEP recommends that LPR submit a plan to plug the Well within thirty (30) days of the date of this letter.

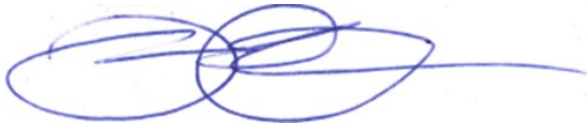
Any person aggrieved by this action may appeal, pursuant to Section 4 of the Environmental Hearing Board Act, 35 P.S. Section 7514, and the Administrative Agency Law, 2 Pa. C.S. Chapter 5A, to the Environmental Hearing Board ("Board"), Second Floor, Rachel Carson State Office Building, 400 Market Street, P.O. Box 8457, Harrisburg, PA 17105-8457, 717.787.3483. TDD users may contact the Board through the Pennsylvania Relay Service, 800.654.5984. Appeals must be filed with the Environmental Hearing Board within 30 days of receipt of written notice of this action unless the appropriate statute provides a different time period. Copies of the appeal form and the Board's rules of practice and procedure may be obtained from the Board. The appeal form and the Board's rules of practice and procedure are also available in Braille or on audiotape from the Secretary to the Board at 717.787.3483. This paragraph does not, in and of itself, create any right of appeal beyond that permitted by applicable statutes and decisional law.

IF YOU WANT TO CHALLENGE THIS ACTION, YOUR APPEAL MUST REACH THE BOARD WITHIN 30 DAYS. YOU DO NOT NEED A LAWYER TO FILE AN APPEAL WITH THE BOARD.

IMPORTANT LEGAL RIGHTS ARE AT STAKE, HOWEVER, SO YOU SHOULD SHOW THIS DOCUMENT TO A LAWYER AT ONCE. IF YOU CANNOT AFFORD A LAWYER, YOU MAY QUALIFY FOR FREE *PRO BONO* REPRESENTATION. CALL THE SECRETARY TO THE BOARD (717.787.3483) FOR MORE INFORMATION.

If you have any questions, you may contact me at 412.442.4006 or at the address located at the bottom on the first page of this letter.

Sincerely,

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Daniel F. Counahan
District Oil and Gas Manager
Southwest District Oil and Gas Office



**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
Oil & Gas Management Program**

DEP USE ONLY	
Auth # 1315562	APS #
Site # 733907	PF #
Client #	SF #

Application for Inactive Well Status

Well Operator LPR Energy, LLC		DEP Client ID # 304679	Well Permit or Registration Number 37-111-20297	
Address 2 E. Market Street, Suite 1			Well Farm Name PMG Baird Unit	Well # 1H
City Clearfield	State PA	Zip Code 16830	County Somerset	Municipality Addison
Phone 8147656300	Fax 8147656305	Bond Instrument No. LOCOSL03999	Is this an application for annual extension of inactive status? ☒ Yes ☐ No	

Condition of the Well

Describe in detail how the condition of the well satisfies the criteria for approval of inactive status. See 25 Pa. Code §§ 78.102(i), (2)(i) or (ii) and (3). Use additional sheets if necessary. If available, attach well records, driller's logs, and other information describing well casing, cement, equipment, and any other pertinent information.

Well Type: ☒ Gas ☐ Oil ☐ Combination Oil & Gas ☐ Injection ☐ Storage ☐ Disposal

Casing Diameters: 24" Conductor; 20" Surface	Casing Lengths: 60' Conductor; 223.55' Surf	Type and amount of cement (sacks) used for surface casing: Gas Block 260 sks	
13 3/8"	593.05'	Tubing or Production Casing Pressure (current): 0 psi	If an oil well, state the depth to fluid in the surface casing:
9 5/8"	1831'	Annulus Pressure (current - between tubing or production casing and surface casing): 0 psi	
Tubing or production casing diameter: 5 1/2"	Tubing or production casing length: 12493'	Is the annulus open to atmosphere? ☒ Yes ☐ No	

Other information about the well's condition:

N/A

RECEIVED

MAY 22 2020

**DEPSWDO
OIL & GAS**

Future Use of the Well

Describe a viable plan, in accordance with 25 Pa. Code § 78.102(4), explaining the intended future use of the well within a reasonable time. Use additional sheets if necessary. Provide the information requested below and any other information necessary for DEP to make a determination on inactive status for this well.

Provide certification that one of the following applies (check one):

☒ Significant reserves remain in place and I plan to return the well to production.

The well will be used for: ☐ Disposal ☐ Storage ☐ Observation ☐ Injection - Recovery ☐ Other (describe)

This well will be returned to use in: Month: August

Year: 2021

State your plan for future use of the well.

Well is currently Shut In pending Pipeline Construction; Construction delayed; Anticipating pipeline construction in Spring 2021.

Signature of Applicant (Well Operator)

Signature Date 5/15/2020
Print or type signer's name and title: Christy Fulton - Regulatory & Compliance

DEP USE ONLY

☐ Approved ☒ Denied Date June 2, 2020
by (DEP Manager):