

October 1, 2021

Lola Energy PetroCo, LLC
P.O. Box 360
Canonsburg, PA 15317

Re: Inactive Well Status Approval

Dear Operator:

The Department received and reviewed your applications for Inactive status. We are granting inactive status extensions for the 18 wells listed on the attached page 2.

Inactive status extensions are valid for one year from October 1, 2021 until October 1, 2022. Inactive status may be renewed at the end of this one year period by applying for renewal and demonstrating the wells continue to meet the requirements. The Department requires that you monitor the wells for mechanical integrity on an annual basis. You will report these results to the Northwest Regional Office by March 31st of the following year.

The Department may revoke inactive status and order immediate plugging if any of the following occurs:

1. Well is in violation of laws or regulations;
2. Inability to perform obligations under 2012 Oil and Gas Act.
3. Well no longer satisfies inactive status criteria.

Pursuant to section 3214(d) of the 2012 Oil & Gas Act, 58 Pa. C.S. § 3214(d), an owner or operator of a well granted inactive status shall notify the Department when the well has been returned to active status. The form is located at <http://files.dep.state.pa.us/OilGas/BOGM/BOGMPortalFiles/OilGasReports/2014/OilGasForms.pdf>.

Please contact Curtis LeSuer at clesuer@pa.gov or 814.332.6173 with any questions.

Sincerely,

Richard L Neville

Richard L. Neville
Northwest District Oil and Gas Manager
District Oil and Gas Operations

Enclosures

cc: OGI (email)
File

Lola Energy PetroCo, LLC inactive status extensions approved wells from October 1, 2021 until October 1, 2022.

- Permit 019-22403
- Permit 019-22404
- Permit 019-22407
- Permit 019-22408
- Permit 019-22409
- Permit 019-22411
- Permit 019-22412
- Permit 019-22413
- Permit 019-22427
- Permit 019-22431
- Permit 019-22432
- Permit 019-22433
- Permit 019-22434
- Permit 019-22436
- Permit 019-22462
- Permit 019-22464
- Permit 019-22465
- Permit 019-22466

REC-10
AUG 09 2021
 Environmental Protection
 Northwest Regional Office

COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF ENVIRONMENTAL PROTECTION
 OFFICE OF OIL AND GAS MANAGEMENT

DEP USE ONLY			
Auth No	1366354	APS No #	1046145
Site No.	790600	PF No	784336
Client No	356154	SF No	1157348

APPLICATION FOR INACTIVE WELL STATUS

Well Operator Lola Energy PetroCo, LLC		DEP Client ID No 356154	Well Permit or Registration No 37-019-22436-00-00	
Address PO Box 360			Well Farm Name Polaris	Well No. 3MH
City Canonsburg	State PA	Zip Code 15317	County Butler	Municipality Concord
Telephone No 724-746-3000	Fax No.	Bond Instrument No 15518 - \$455,000	Is this an application for annual extension of inactive status? ☒ Yes ☐ No	
Master Auth 1065637			Check here if this application is being submitted for conditional inactive status in association with longwall mining: ☐	

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 §§ 78/78a.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. Note that if this application is being submitted in conformance with DEP Technical Guidance Document 800-0810-004 *Guidelines for Chain Pillar Development and Longwall Mining Adjacent to Unconventional Wells*, the Well Record/Completion Report may be referenced for all well construction information, and all tubing and annular pressures should be at 0 prior to adjacent longwall mining encroaching within 1,500 feet of the well location. Finally, all annuli should be open to the atmosphere and the inactivation procedure may be referenced under the section titled "Other information about the well's condition."

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

Casing Diameters. 13.38	Casing Lengths: 658'	Type and amount of cement (sacks) used for surface casing Type 1, (562) sacks
9.625	2,613'	Tubing or Production Casing Pressure (current) 0
5.5	13,737'	If an oil well, state the depth to fluid in the surface casing
		Annulus Pressure (current - between tubing or production casing and surface casing) 0
Tubing or production casing diameter: 5.5	Tubing or production casing length: 13,737' casing	Are all annuli open to atmosphere? ☒ Yes ☐ No

Other information about the well's condition:

Well has been drilled to TD as of 10/10/2015 but has not yet been stimulated for production. Well is temporarily shut-in awaiting stimulation activities, which are tentatively planned for late spring/early summer 2022 or TBD by more favorable market conditions. This well will not be producing within the one year time frame stipulated by regulations, therefore, this inactive status request is being made in advance to mitigate a default 'abandoned well' status.

Future Use of the Well

Describe a viable plan in accordance with 25 Pa. Code §78/78a.102(4) explaining the intended use of the well within a reasonable time. Provide the information requested below and any other information necessary for DEP to make a determination on inactive status for this well. Note that if this application is being submitted in conformance with DEP Technical Guidance Document 800-0810-004 *Guidelines for Chain Pillar Development and Longwall Mining Adjacent to Unconventional Wells*, the following text may be entered under the section regarding the future plan for the well: "Return well to production subsequent to final panel extraction when mining is at least 1,500 feet beyond well in chain pillar, as per re-entry procedure and TGD."

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

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

Provide estimate of reserves: MMcf:

Bbls:

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

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

Year: 2022

State your plan for future use of the well.

We intend to stimulate the well and turn in line for production as we actively develop the field and reserves as effectively and efficiently as possible.

Conditional Inactive Status Checklist

For unconventional wells drilled in anticipated chain pillar locations that are being temporarily inactivated to accommodate planned, adjacent longwall mining, please provide the items included in the checklist below in addition to this application. More specific information about these items is detailed in DEP Technical Guidance Document 800-0810-004 *Guidelines for Chain Pillar Development and Longwall Mining Adjacent to Unconventional Wells*.

Please include the following items with the inactive status application

- ☐ Temporary Well Inactivation Procedure ☐ Temporary Inactivation Well Schematic ☐ General Specifications for Cements/Gels
☐ Current Well Record and Completion Report ☐ Well Location Plat ☐ Electrical/Mechanical Well Logs
☐ Graphical Production History Summary ☐ Well Re-entry Procedure ☐ Post-mining Well Long-term Monitoring Procedure

Provide additional details, if necessary.

Signature of Applicant (Well Operator)

Signature



Date

7/21/21

Print or type signer's

name and title J. Johnson, Dir. Land Ops, EHS&R

DEP USE ONLY

☒ Approved

☐ Denied

Date

by (DEP Manager):

Richard L. Neville

10/1/2021



v1.0.7

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL
PROTECTION OFFICE OF OIL AND GAS

**INSPECTION REPORT ROUTINE
INSPECTION**

**DEP USE
ONLY**

Complaint Record
No.

Inspection Record
No.
3244607

Enforcement Record
No.

DEP Office	New Castle Oil & Gas Office	Telephone No.: (724) 656-3160	Permit or Reg. No.:	37-019-22436
Address	121 North Mill Street	Fax No.: ----	Project No.: ----	WellPad: POLARIS
	New Castle, PA 16101		Farm Name and Well No.:	POLARIS 3 MH
Operator Name	LOLA ENERGY PETROCO LLC		County	Butler
Address	1900 Main St 107-4 Canonsburg, PA 15317-5861		Municipality	Oakland Township
	----		Latitude (DD)	40.954722
OGO No.	OGO-69216	Client ID No.	356154	Longitude (DD)
				-79.871881
Drilling Rig / Type	----			
Facility Type	Multi-Well Pad	Producing Formation	----	

Other	☐ Permit Expired	☐ Alt / Meth	☐ Annulus Open	☐ Conductor Only	Spud Date: 2015-07-14	☒ Coal	☐ Non-Coal
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Remarks / Violations					
Category	Sub-Category	Inspection Remarks / Violations / Violation Remarks	I	R	V
Location	1: Posting	Inspection Remark: Emergency Response sign posted at site entrance. Sign needs to reflect name of current operator.	☒	☒	☐
	1: Well Label / Marker	Inspection Remark: Well tag affixed to well. Current operator name needs to be placed on well tag.	☒	☒	☐
Well					
Waste Management					
Other					

WELL INFORMATION			
Well Status: Inactive	Well Production Status: Not Stim'd	Well Type:	Depth: ft.
Flowback: ☐ Yes ☐ No	Stressed Vegetation: ☐ Yes ☐ No	Wells on Location:	
Separators: ☐ Yes ☐ No	Oil Staining: ☐ Yes ☐ No		



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DEPARTMENT OF ENVIRONMENTAL
PROTECTION OFFICE OF OIL AND GAS

INSPECTION REPORT ROUTINE INSPECTION

**DEP USE
ONLY**

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No.

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No.

Casing	Size			Press (psi)	Volumn (cu ft/d)	Length (ft)	SIPT
1	---- X ----			----	----	----	☐
	0 Hrs: ----	12 Hrs: ----	24 Hrs: ----	48 Hrs: --- -	72 Hrs: ----	Days: ----, ----	
	Casing: ----			Volumn: ----			
	Gas Detected: --- -	Gas Concentation: ----% LEL, ----% GAS		Method Used: ----		Date Calibrated: --- -	
	Additional Comments: ----						

Cellar Observation			
Water	☐ Yes ☐ No	Below Grade:	Combustible Gas Detected
Gravel	☐ Yes ☐ No	Below Grade:	☐ Yes ☐ No ☐ Unable to check for gas
Bubbling	☐ Yes ☐ No	Rate:	Gas Concentration: % LEL, % GAS
		Method Used:	Date Calibrated:

EQUIPMENT ON LOCATION			
Equipment on Location		Tanks: []	
Dryers:	Drips:	Brine/Oil:	Fresh Water:
Pumpjacks:	Meters:	Flowback:	Consolidation:
Separators:	Containment:	Propane:	Poly Vent:
Compressors:		Production:	

RTN Other Data			
H2S Detected	☐ Yes ☐ No	ppm	Corrosion: Leaking:

Photos Attached	Additional Documents	WQS follow up	Inspection Results
☐ Yes ☒ No	☐ Yes ☒ No	☐ Yes ☐ No	NOVIO - No Violations Noted



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PROTECTION OFFICE OF OIL AND GAS

**INSPECTION REPORT ROUTINE
INSPECTION**

**DEP USE
ONLY**

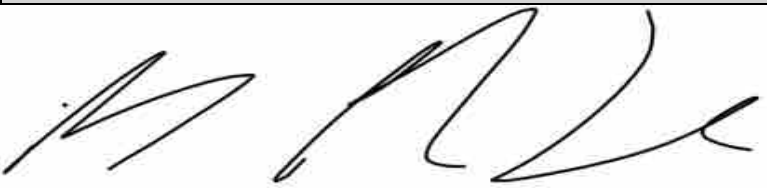
Complaint Record
No.

Inspection Record
No.
3244607

Enforcement Record
No.

Remarks:

On July 21, 2021, operator filed Application for Inactive Well Status for gas well 3MH, Permit No. 37-019-22436. At the time of inspection, well label affixed to the well with all annulus open to the atmosphere. Eight wells have been drilled on the Polaris pad and only two wells are currently in production. The 3MH has been drilled to TD as of 10/10/2015. Upon review of information submitted and inspection of the well, the Department has determined that the well meets the requirements of 3214(a)(1) and 3214(a)(2). Information is being forwarded for additional review.

On Site Representative		DEP Representative	
			
(signature)		(signature)	
(print name)		BRIAN DOUGLAS MACQUARRIE, OIL GAS INSP (print name)	
Date: 09/02/2021	Time Arrived: 11:40 AM		Time Departed: 12:15 PM

Inactive Status Application Review

(Internal Use)

Date Application Received: August 9, 2021 emailed from operator

Well Permit Number: 019-22436

Well Completion Date: 10/10/2015

Well Record and Drilling Logs

Y ☐ N ☒ Not submitted but were in the file

Information describing well casing, cement, and equipment

Y ☒ N ☐ Information included on well record

Detailed description of how the condition of the well satisfies criteria for approval of inactive status

Y ☒ N ☐ Submitted on application

Certification of the well's mechanical integrity

Y ☒ N ☐

A determination that significant reserves remain

Y ☒ N ☐ Newer well with intent to produce

A certified plan verifying future utility and when the well will be returned to production

Y ☒ N ☐

The quantity of oil and or gas that was produced the previous year

Y ☐ N ☒ well is not stimulated

Outstanding Violation(s)

Y ☐ N ☒

Extension

Y ☒ N ☐

Surface Casing length: 658

Maximum Allowable Surface Casing Pressure: 227

(casing length) x (.433) x (.8) **as per reg. 78.73, not 78.102**

Production Casing Pressure Submitted: Y ☒ N ☐ 0 psi

Oil Well Depth To Fluid Level Y ☐ N ☐ NA

Annulus Pressure Submitted: Y ☒ N ☐ 0 psi

Is annulus surface casing open to atmosphere Y ☒ N ☐

When will the well be utilized? TBD (month/year) August 2022

Inactive Status Recommended? Y ☒ N ☐

Comments: The operator is planning on stimulating the well summer 2022.

Signature: Curtis LeSuer

Date: October 1, 2021