IMPORTANT NOTICE



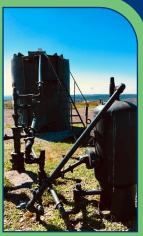
This is an important notice to Pennsylvania conventional oil and gas well operators regarding the availability of federal funding to plug marginal wells. The federal Inflation Reduction Act (IRA) provides new authorities under Section 136 of the Clean Air Act to reduce methane emissions from the petroleum and natural gas sector through the creation of the Methane Emissions Reduction Program (MERP). Nationwide, MERP will provide more than \$1 billion in financial funding for grants and other activities to reduce methane.

The Pennsylvania Department of Environmental Protection (DEP) will be receiving more than \$44 million of this funding. Part of Pennsylvania's funding will be used to provide grants to conventional well operators to plug marginal conventional wells in their inventory. A marginal conventional well (MCW) is defined as a conventional vertical or slightly deviated oil and/or natural gas well with a known operator, producing less than or equal to 15 barrels of oil equivalent per day (BOED) and/or 90 thousand cubic feet (Mcf) gas per day (1 BOE = 6 Mcf) over the prior 12 month period. Most conventional wells, for which production data has been reported to the DEP, meet the definition of an MCW.

To be eligible for this funding, an operator must be in compliance with statutory and regulatory requirements, including those related to the submission of well production, waste, and mechanical integrity assessment reports to DEP. Additionally, failure to submit these reports subject operators to enforcement by DEP that includes civil penalty liability. If you are interested in obtaining this funding and are currently not in compliance with these requirements, you should submit this information to DEP as soon as possible.

Operators can find information regarding the production, waste, and mechanical integrity assessment report submission process and requirements on DEP's website (Electronic Submission Guides (pa.gov)). Home use well operators can satisfy all three reporting requirements through the submission of a single form for each well (8000-FM-OOGM0001).

Additional information regarding the MERP grant funding process can also be found on DEP's <u>MERP webpage</u>. Please note that development of the MERP grant funding process is ongoing and additional information will be added to the MERP webpage as it becomes available. Operators should check this webpage often to obtain the latest information. Grant funding will be limited, so operators interested in taking advantage of this opportunity should submit their applications as soon as possible when the process opens.



MERP at a Glance:

Federal Legislation: IRA

PA Grant: \$44M

Goal:

Plug Marginal Conventional Wells

Result:Reduce
Methane Emissions

Eligibility: In Compliance

MERP webpage



