



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION III  
1650 Arch Street  
Philadelphia, Pennsylvania 19103-2029

STATEMENT OF BASIS

FOR

PROPOSED MODIFICATION OF

U.S. EPA's UNDERGROUND INJECTION CONTROL (UIC) PROGRAM  
CLASS IID PERMIT NUMBER PAS2D020BCLE

FOR

Windfall Oil and Gas, Inc.  
305 Chan Road  
Falls Creek, Pennsylvania 15840

FOR

One Class II-D injection well, the Zellman #1, used for the disposal of fluids produced in association with oil and gas production operations. The permitted well will be located in:

Brady Township  
Clearfield County, Pennsylvania  
Latitude 41°04'55.00" Longitude -78°44'48.95"

The U. S. Environmental Protection Agency (EPA) issued an Underground Injection Control (UIC) permit to Windfall Oil and Gas, Inc. (Windfall) for a Class IID disposal well effective July 30<sup>th</sup>, 2015. This issuance concluded a process that included an initial comment period on the draft permit, an additional comment period focusing on seismicity concerns, a Response to Comments document, and a public appeal to the Environmental Appeals Board (EAB), which eventually rejected the appeal. Following the appeal to the EAB, EPA issued the final permit.

EPA issued the Class II UIC permit for the Zellman #1 well for a period of five (5) years, originally set to expire on October 31<sup>st</sup>, 2019. That permit was stayed due to the appeal to the EAB. When EPA issued the final permit after the EAB denied the petition for review, due to a typographical error the final permit, issued on July 30<sup>th</sup>, 2015, listed the expiration date of July 30<sup>th</sup>, 2019. EPA issued a minor permit modification on May 7<sup>th</sup>, 2019 to correct the expiration date of the permit to July 30<sup>th</sup>, 2020, when the five-year period ends.



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Although the regulations allow EPA to issue Class II permits for a period up to the operating life of the facility, EPA issued the permit for five years, to allow EPA to review well construction and operation information for reissuance of the permit after five years of operation. However, Windfall did not receive the Pennsylvania Department of Environmental Protection well construction permit until March 21<sup>st</sup>, 2018, and that permit has been appealed to the Pennsylvania Environmental Hearing Board. For this reason, Windfall has not yet begun construction and operation of the injection well.

On April 18<sup>th</sup>, 2018, EPA received a request from Windfall to reissue the permit for a period of either five (5) or ten (10) years. EPA requested additional information pertaining to the well from Windfall following Windfall's request. EPA asked Windfall to submit updated information including the list of residents within a one-half mile radius of the injection well, a plugging and abandonment cost estimate from an independent third-party contractor, and geological information from any new wells, as well as any new information regarding faults, and seismic activity in Clearfield and adjacent counties. Windfall confirmed that:

- Within the Area of Review (AOR), there are no new production or injection wells; no new intake and discharge structures; no new hazardous waste treatment, storage, or disposal facilities; no new springs or surface bodies of water. Windfall identified one new private drinking water well within the AOR.
- Windfall found no new information concerning the geology in the location of the well, including information concerning underground sources of drinking water, the confining zone or faults.
- Windfall performed searches of seismic data publicly available from USGS that listed recent seismic activity in Pennsylvania. None of that activity was located in Clearfield County or any county adjacent to Clearfield County. EPA performed its own separate search and confirmed this finding.
- Windfall provided an updated plugging and abandonment cost estimate from an independent, third party contractor in the 2018 modification application. The plugging and abandonment plan and the estimated cost for the plan have not changed since the 2014 permit issuance.

EPA finds that in this case it would be appropriate to modify the permit to extend the term of the permit for five (5) additional years. This term extension is appropriate based on the new information Windfall provided including information on the construction status of the well. When EPA issued the permit in 2015, EPA concluded that the conditions of the permit were protective of underground sources of drinking water. As the information concerning the construction and operation of the well, and the location of the well have not changed, the conditions of the permit continue to be protective of underground sources of drinking water for the term of the modified permit. Limiting the extension to five years is responsive to the concerns raised for the original permit.

**Modification of Expiration Date:** The modified permit will expire on July 30<sup>th</sup>, 2025, an extension of five (5) years.

**Additional Information:**

Modifying the term of a UIC permit qualifies as a permit modification subject to public notice and comment as provided in 40 CFR 124.5, 124.6 and 144.39. For this reason, EPA is issuing this draft permit term modification for a public comment period of 30 days. As stated in 40 CFR 124.5 (c)(2) and 144.39, only the conditions subject to modification are reopened. This public comment period will be solely for comments on the term extension of the permit.

Questions, comments, and requests for additional information may be directed to:

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215-814-5463

Copies of the original and supplemental Statement of Basis documents are available for informational purposes.

EPA has tentatively scheduled a public hearing for August 27, 2019 at the Brady Township Community Center, 71 Community Street, Luthersburg, PA 15848 at 6:00 pm. Requests to hold a public hearing must be received in the office listed above by August 20, 2019. When requesting a public hearing, please state the nature of issues proposed to be raised. EPA expressly reserves the right to cancel this hearing unless a significant degree of public interest, specific to the proposed permit term extension for the permitted UIC brine disposal injection operation, is evidenced by the above date. The Administrative Record for this action will remain open for public comment until August 28, 2019.