

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. William Barry
Vice President
Barry Resources, Inc.
Hillcrest Avenue
RD #1
Olean, NY 14760

May 23, 1986

Re: Compliance Review of Underground Injection Control (UIC) Facilities

Dear Mr. Barry:

Sincerely,

The Region III UIC program staff has completed a comprehensive examination of the compliance status of your existing injection operations. This review focused primarily on the June 25, 1985 and January 31, 1986 monitoring and reporting requirements. The specific elements of the review are addressed in the attachments under the following categories:

Attachment A (Areas of Compliance) - The effective date of the Pennsylvania UIC program was June 25, 1984, with the first major compliance requirements from owner/operators of existing facilities occurring one year later on June 25, 1985. The compliance of permitted facilities is required with the issuance of the permit. Attachment A describes those areas of the UIC program where compliance has been achieved. It also provides information on how to satisfy the regulatory notifications to EPA regarding violation occurrences, scheduling of mechanical integrity tests, and permanent abandonment of injection wells.

Attachment B (Additional Information Requested) - Those areas where your submittal(s) was insufficient to determine compliance status have been summarized in this attachment. You are requested to provide the missing data by June 30, 1986. Failure to respond to this request will be considered a violation of the UIC regulations subject to possible enforcement action.

*Transferred
from Barry
Resources to
Bueker 5/15/86*

MAD:lm #102 line 5 5/16/86

CONCURRENCES

SYMBOL	BWM43	BWM43					
SURNAME	MAD	HOESSEL					
DATE	5/17/86						

ATTACHMENT A (AREAS 2) COMPLIANCE

Company Name: Barry Resources
 ID# PAS2R943APOT

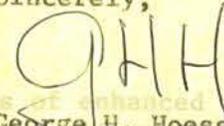
Facility Name: Horse Run Plant
 Number of Wells: 9

We believe that you, as a member of the regulated community, will be more likely to comply with the UIC program requirements if you know what the specific requirements are and understand the objectives of the regulations. Therefore, you are encouraged to contact this office if you have any questions about the program. Please call on the following individuals for information or assistance:

Technical Assistance
 Stephen Platt (215) 597-2783
 Mark Nelson (215) 597-9017

Administrative Assistance
 Mary Anne Daly (215) 597-8992.

Sincerely,



George H. Hoessel, Chief
 PA Implementation Section

2. Annual Monitoring Report

Requirement - Owner/operators of enhanced recovery injection wells are required to conduct monthly recordings of injection pressure, flow rate and cumulative volume on a individual well basis. An annual report must be submitted to EPA by January 31 of each year summarizing the monitoring results of the previous year.

Status - Not required at this time due to temporarily abandoned status of wells.

Enclosures

3. Injection Fluid Analysis

Requirement - Owner/operators of enhanced recovery injection wells are required to monitor the nature of the injection fluids with sufficient frequency to yield data representative of their characteristics. For the EPA administered program in Pennsylvania, the monitoring frequency is at least once within the first year of the program's authorization and thereafter when changes are made to the fluid. The regulatory definition of fluid is any material or substance which flows or moves whether in a semisolid, liquid, sludge, gas, or any other form or state.

Status - Not required at this time due to temporarily abandoned status of wells.

CONCURRENCES

CONCURRENCES							
SYMBOL							
SURNAME							
DATE							

ATTACHMENT A (AREAS OF COMPLIANCE)

Company Name: Barry Resources
ID# PAS2R943APOT

Facility Name: Horse Run Plant
Number of Wells: 9

1. Injection Pressure Limitation

- ° Requirement - As of November 2, 1985, all rule authorized fields in Pennsylvania were required to operate according to the specific maximum injection pressure (Pmax) calculated for the facility based on the formation fracture gradients established in the August 26, 1985 Federal Register (Vol. 50, No. 165).
- ° Status - Not required at this time due to temporarily abandoned status of wells.

2. Annual Monitoring Report

- ° Requirement - Owner/operators of enhanced recovery injection wells are required to conduct a self monitoring program which includes monthly recordings of the injection pressure, flow rate and cumulative volume on a individual well basis. An annual report must be submitted to EPA by January 31 of each year summarizing the monitoring results of the previous year.
- ° Status - Not required at this time due to temporarily abandoned status of wells.

3. Injection Fluid Analysis

- ° Requirement - Owner/operators of enhanced recovery injection wells are required to monitor the nature of the injection fluids with sufficient frequency to yield data representative of their characteristics. For the EPA administered program in Pennsylvania, the monitoring frequency is at least once within the first year of the program's authorization and thereafter when changes are made to the fluid. The regulatory definition of fluid is any material or substance which flows or moves whether in a semisolid, liquid, sludge, gas, or any other form or state.
- ° Status - Not required at this time due to temporarily abandoned status of wells.

ATTACHMENT A (AREAS OF COMPLIANCE)

Company Name: Barry Resources
ID # PAS2R943APOT

Facility Name: Horse Run Plant
Number of Wells: 9

4. Financial Responsibility

- ° Requirement - Each owner or operator of a Class II well, whether authorized by permit or by rule, is required to maintain the financial resources to close, plug, and abandon the well(s) and submit evidence, acceptable to EPA, of such financial responsibility. For wells authorized by rule, this evidence was due no later than June 25, 1985.
- ° Status - Your demonstration of financial responsibility is acceptable to the Director in accordance with the UIC program regulations. EPA may require updates of the projected plugging and abandonment costs and the accompanying financial responsibility demonstrations whenever it believes these demonstrations are no longer adequate or appropriate.

5. Plugging and Abandonment Plan

- ° Requirement - Each owner or operator of a Class II well, whether by permit or by rule, is required to plug all injection wells, prior to abandonment, in accordance with an EPA-approved plan to prevent migration of fluids either into or between underground sources of drinking water. For wells authorized by rule, this plan was due no later than June 25, 1985.
- ° Status - Your Plugging and Abandonment Plan dated June 15, 1985 is approved. You are reminded that EPA must be notified of the proposed abandonment of a well at least 45 days prior to the event to allow our field inspector the opportunity to observe the plugging activities. Within 60 days after the plugging of a well, you must complete and forward to EPA:
 1. A written statement documenting that the well was plugged in accordance with the original plan, or
 2. Where the actual plugging differed from the plan, an updated version of the Plugging and Abandonment Plan (EPA Form 7520-14) specifying the procedures used.

ATTACHMENT B (Additional Information Requested)

Company Name: Barry Resources
ID# PAS2R934APOT

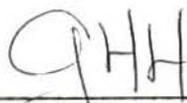
Facility Name: Horse Run Plant
Number of Wells: 9

Temporary Abandonment

- ° Requirement - The UIC regulations at 40 CFR Part 144.28 (c)(2)(iv) require the owner or operator to plug and abandon any injection well out of operation for more than two years unless he provides notice to EPA explaining how the well will be maintained during the period of temporary abandonment and demonstrates that such maintenance will prevent endangerment to underground sources of drinking water. Typically, such maintenance could consist of filling the casing with non-corrosive fluid and observing fluid levels at specified time intervals and conducting mechanical integrity tests periodically to be sure that the well is functional and that the tubular goods are not leaking. It may also be appropriate to secure the wellhead to prevent access to the well by unauthorized persons during temporary abandonment. The demonstration also requires compliance with the technical requirements applicable to operating wells. The most significant of these requirements is the obligation to demonstrate the mechanical integrity of the well at least once every five years. Finally, the owner or operator is required to give notice to EPA before resuming injection activities. If during temporary abandonment the owner or operator determines that he will not use the well in the future, he may proceed with the required plugging procedures providing EPA has approved the plugging and abandonment plan and that he notifies EPA of his intentions no less than 45 days before the plugging operation.

° Information Needed -

The inventory information we have on record indicates there are 9 temporarily abandoned wells at your Horse Run Plant enhanced recovery facility that will be out of operation for two years as of June 24, 1986. These wells need not be plugged if you provide a notice to this office describing actions or procedures, satisfactory to EPA, that you will take to ensure that no endangerment of underground sources of drinking water will occur.



George H. Hoessel, Chief
PA Implementation Section

DEC 20 1985

Plan approval given with our September 12, 1985 letter.

Mr. William D. Barry
 Vice-President
 Barry Resources, Inc.
 Hillcrest Avenue, R.D. 1
 Olean, N. Y. 14760

RE: PAS2R943APOT

Dear Mr. Barry:

Based on the supplemental information you have provided, our records have been updated to reflect your current status of compliance with the June 25, 1985 reporting requirements. You must resolve the deficiencies cited in the attached review notice as soon as possible but not later than January 10, 1986 in order to achieve full compliance with the UIC Regulations.

Please contact either Gary A. Naumick at (215)597-2537 or Mary Anne Daly at (215)597-8992 if you should have any questions on these issues.

Sincerely,

Jon M. Capacasa
 Jon M. Capacasa, Chief
 PA Implementation Section
 Water Supply Branch (3WM43)

Enclosure

CONCURRENCES

SYMBOL	<i>MAD</i>	<i>JWM43</i>					
SURNAME	<i>MAD</i>	<i>G. Naumick</i>					
DATE	<i>12/18/85</i>	<i>12/19/85</i>					

Rule Authorized Compliance Review
for
Barry Resources, Inc.

DEC 20 1985

Plugging and Abandonment Plan
40 CFR 144.28(c)

Plan approval given with our September 12, 1985 letter.

Financial Responsibility Assurance
40 CFR 144.28(d)

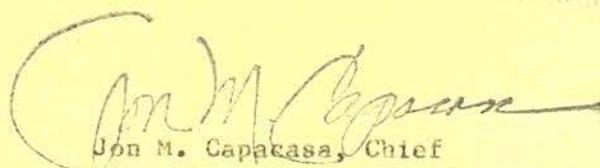
Your financial responsibility assurance is conditionally approved. To obtain full approval, you must have the language in the letter of credit revised to include a provision similar to the following:

"Whenever this letter of credit is drawn on under and in compliance with the terms of this credit, we shall duly honor such draft upon presentation to us, and we shall deposit the amount of the draft directly into the standby trust fund of (owner's or operator's name) in accordance with your instructions".

Monitoring and Reporting
40 CFR 144.28(g) & (h)

No later than January 31, 1986, all rule authorized owners/operators of active injection wells must submit:

1. An annual report summarizing the monthly monitoring of injection pressure, flow rate, and cumulative volume of each injection well. Your first report will cover the 18 month period from June 24, 1984 to December 31, 1985.
2. An analysis of the injection fluid that reflects its characteristics. See the attachment for additional information on this requirement.
3. The current operating pressure and the calculated maximum injection pressure for each rule authorized field based on the fracture gradients established in the August 26, 1985 Federal Register (Vol. 50, No. 165).
4. Results of all wells tested for mechanical integrity by your company that were not witnessed by either EPA or our contract inspector.


Jon M. Capacasa, Chief
PA Implementation Section
Water Supply Branch (3WM43)

CONCURRENCES

SYMBOL	DATE	NAME	INITIALS	DATE	NAME	INITIALS