

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL****No. 1950** Session of  
2011

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INTRODUCED BY ELLIS, S. H. SMITH, TURZAI, SAYLOR, REED, ADOLPH,  
MAJOR, STEVENSON, VEREB, ROSS, GROVE, MARSHALL, HELM,  
VULAKOVICH, P. COSTA, GERGELY, MOUL, CHRISTIANA, TALLMAN,  
EVERETT AND K. SMITH, NOVEMBER 1, 2011

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AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
NOVEMBER 17, 2011

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## AN ACT

1 Amending Titles 27 (Environmental Resources) and 58 (Oil and  
2 Gas) of the Pennsylvania Consolidated Statutes, requiring  
3 rents and royalties from oil and gas leases of Commonwealth  
4 land to be placed in a special fund to be used for  
5 conservation, recreation, dams, flood control and certain  
6 interfund transfers; authorizing the Secretary of  
7 Conservation and Natural Resources to determine the need for  
8 and location of such projects and to acquire the necessary  
9 land; providing for interfund transfer; establishing the  
10 Keystone Transit Program; providing a transfer of funds from  
11 the Oil and Gas Lease Fund to the Department of Environmental  
12 Protection for a competitive grant program for the transition  
13 of small mass transit bus fleets to compressed natural gas;  
14 establishing the Clean Transit Program; providing a transfer  
15 of funds from the Oil and Gas Lease Fund to the Department of  
16 Environmental Protection for a loan program for the  
17 transition of large mass transit bus fleets to compressed  
18 natural gas; authorizing counties to impose and collect an  
19 unconventional gas well impact fee; providing for  
20 distribution of fees and for the Oil and Gas Lease Fund;  
21 consolidating the Oil and Gas Act with modifications and  
22 additions; providing for local ordinances relating to oil and  
23 gas operations; and repealing an act relating to the  
24 establishment of the Oil and Gas Lease Fund and the Oil and  
25 Gas Act.

26 The General Assembly of the Commonwealth of Pennsylvania  
27 hereby enacts as follows:

28 Section 1. Title 27 of the Pennsylvania Consolidated

1 Statutes is amended by adding chapters to read:

2 CHAPTER 33

3 OIL AND GAS

4 Subchapter

5 A. (Reserved)

6 B. Oil and Gas Lease Fund

7 c. keystone transit

8 d. clean transit

9 SUBCHAPTER A

10 (RESERVED)

11 SUBCHAPTER B

12 OIL AND GAS LEASE FUND

13 Sec.

14 3301. Definitions.

15 3302. Oil and Gas Lease Fund.

16 3303. Powers and duties of secretary.

17 3304. Appropriation of moneys.

18 3305. Interfund transfers.

19 § 3301. Definitions.

20 The following words and phrases when used in this chapter  
21 shall have the meanings given to them in this section unless the  
22 context clearly indicates otherwise:

23 "Department." The Department of Conservation and Natural  
24 Resources of the Commonwealth.

25 "Fund." The Oil and Gas Lease Fund established by this  
26 subchapter.

27 "Secretary." The Secretary of Conservation and Natural  
28 Resources of the Commonwealth.

29 § 3302. Oil and Gas Lease Fund.

30 (a) Establishment.--The Oil and Gas Lease Fund is

1 established in the State Treasury.

2 (b) Deposits.--All rents and royalties from oil and gas  
3 leases of any land owned by the Commonwealth, except rents and  
4 royalties received from game and fish lands, shall be placed in  
5 the fund to be used exclusively:

6 (1) for conservation, recreation, dams or flood control;

7 (2) to match any Federal grants which may be made for  
8 any of the purposes enumerated in this subchapter; and

9 (3) for interfund transfers as provided in section 3305  
10 (relating to interfund transfers).

11 § 3303. Powers and duties of secretary.

12 The secretary shall have the following powers and duties:

13 (1) To determine, in the secretary's discretion, the  
14 need for and the location of any project authorized by this  
15 chapter.

16 (2) To acquire in the name of the Commonwealth by  
17 purchase, condemnation or otherwise such lands as may be  
18 needed.

19 § 3304. Appropriation of moneys.

20 All the moneys from time to time paid into the fund are  
21 specifically appropriated on a continuing basis to the  
22 department to carry out the purposes of this subchapter.

23 § 3305. Interfund transfers.

24 Transfers shall be made between funds in the State Treasury  
25 as follows:

26 (1) On July 1, 2013, and each July 1 thereafter, an  
27 amount equal to 25% of the total moneys received from the  
28 prior fiscal year shall be transferred from the fund to the  
29 Environmental Stewardship Fund for the purpose of plugging  
30 abandoned oil and gas wells and other uses authorized by law

1 for the Environmental Stewardship Fund.

2 (2) (i) Beginning July 1, 2014, a total of \$40,000,000  
3 shall be transferred from the fund to the Hazardous Sites  
4 Cleanup Fund for the purpose of remedial response or  
5 remedy at oil and gas well sites and other uses  
6 authorized by law for the Hazardous Sites Cleanup Fund.

7 (ii) On July 1, 2015, and each July 1 thereafter,  
8 the following shall apply:

9 (A) the sum of the amount transferred under  
10 subparagraph (i) during the prior fiscal year; and

11 (B) an amount equal to the percentage change in  
12 the Consumer Price Index for All Urban Consumers from  
13 the prior fiscal year, multiplied by the amount in  
14 clause (A),

15 shall be transferred from the fund to the Hazardous Sites  
16 Cleanup Fund for the purpose specified in subparagraph  
17 (i).

18 (3) On July 1, 2013, and each July 1 thereafter, an  
19 amount equal to 5% of the total moneys received from the  
20 prior fiscal year, but not to exceed \$5,000,000, shall be  
21 transferred from the fund to the several counties, school  
22 districts and townships entitled to receive payment from the  
23 Commonwealth in lieu of taxes under the act of May 17, 1929  
24 (P.L.1798, No.591), referred to as the Forest Reserves  
25 Municipal Financial Relief Law. The moneys transferred under  
26 this paragraph shall be allocated to each county, school  
27 district and township based on the number of acres of land in  
28 the county, school district or township to which the payment  
29 under that act applies in proportion to the aggregate number  
30 of acres of all such lands of the counties, school districts

1 and townships in this Commonwealth.

2 (4) On July 1, 2013, and each July 1 thereafter, a total  
3 of \$15,000,000 shall be transferred from the fund to the  
4 Conservation District Fund. These funds shall be distributed  
5 in a manner consistent with the act of May 15, 1945 (P.L.547,  
6 No.217), known as the Conservation District Law, and the  
7 provisions of the State Conservation Commission's  
8 Conservation District Fund Allocation Program—Statement of  
9 Policy under 25 Pa. Code Ch. 83 Subch. B (relating to  
10 Conservation District Fund Allocation Program—Statement of  
11 Policy).

12 SUBCHAPTER C

13 KEYSTONE TRANSIT

14 Sec.

15 3311. Short title of subchapter.

16 3312. Definitions.

17 3313. Keystone Transit Program.

18 § 3311. Short title of subchapter.

19 This subchapter shall be known and may be cited as the  
20 Keystone Transit Act.

21 § 3312. Definitions.

22 The following words and phrases when used in this subchapter  
23 shall have the meanings given to them in this section unless the  
24 context clearly indicates otherwise:

25 "Dedicated compressed natural gas bus." A bus which runs  
26 solely on compressed natural gas.

27 "Department." The Department of Environmental Protection of  
28 the Commonwealth.

29 "Mass transit authority." An operator of regularly scheduled  
30 transportation that is available to the general public and is

1 provided according to published schedules along designated  
2 published routes with specified stopping points for the taking  
3 on and discharging of passengers. The term does not include  
4 exclusive ride taxi services, charter or sightseeing services,  
5 nonpublic transportation or school bus or limousine services.

6 "Program." The Keystone Transit Program.

7 "Small mass transit authority." A mass transit authority  
8 located in this Commonwealth that does not exceed 245,000  
9 revenue vehicle hours for two consecutive years.

10 § 3313. Keystone Transit Program.

11 (a) Establishment.--The department shall establish and  
12 administer the Keystone Transit Program.

13 (b) Purpose.--The program is established in order to  
14 decrease emissions from mass transit buses by utilizing natural  
15 gas as a vehicle fuel.

16 (c) Transfer of funds.--The State Treasurer shall transfer  
17 from the Oil and Gas Lease Fund to the department the sum of  
18 \$5,000,000 to fund the program.

19 (d) Use of funds.--The sum of \$5,000,000 shall be used to  
20 fund competitive grants available to small mass transit  
21 authorities for the purchase of new dedicated compressed natural  
22 gas buses.

23 (e) Application process.--

24 (1) A mass transit authority must complete and submit to  
25 the department a keystone transit grant application.

26 (2) Approved applications must obligate the mass transit  
27 authority to contract with a private company:

28 (i) to build exclusively with private funds; and

29 (ii) to maintain and operate any new compressed  
30 natural gas fueling facility necessary to support

1 compressed natural gas buses purchased with funds  
2 received under this subchapter.

3 (3) The term "operate" as used in this subsection shall  
4 not include the actual act of fueling buses.

5 (f) Eligible costs.--

6 (1) Grant funds received under this subchapter shall be  
7 eligible for:

8 (i) Federally assisted purchases of new dedicated  
9 compressed natural gas buses and shall be limited to the  
10 total percentage of the State and local match.

11 (ii) Nonfederally assisted bus purchases and shall  
12 be limited to 50% of the total incremental cost of a new  
13 dedicated compressed natural gas bus.

14 (2) The incremental cost shall be capped at \$60,000 for  
15 buses which have a gross vehicle weight rating over 26,000  
16 pounds and \$35,000 for buses with a gross vehicle weight  
17 rating of 26,000 pounds and under.

18 (3) Buses with a gross vehicle weight rating of less  
19 than 16,000 pounds shall be ineligible.

20 (4) Priority shall be given to those applications which  
21 provide for public access to compressed natural gas vehicle  
22 fueling dispensers.

23 (g) Grant program.--The department shall establish a formula  
24 and method for awarding of grants under the program consistent  
25 with this subchapter.

26 (h) Appeal process.--Applicants that are not awarded grants  
27 under this subchapter shall not have the right to a hearing or  
28 the issuance of an adjudication under section 4 of the act of  
29 July 13, 1988 (P.L.530, No.94), known as the Environmental  
30 Hearing Board Act, regarding the department's decision.





1 administer the Clean Transit Program.

2 (b) Purpose.--The program is established in order to  
3 decrease emissions from mass transit buses by utilizing natural  
4 gas as a vehicle fuel.

5 (c) Transfer of funds.--The State Treasurer shall transfer  
6 from the Oil and Gas Lease Fund to the department the sum of  
7 \$7,500,000 to fund the program.

8 (d) Use of funds.--The sum of \$7,500,000 shall be deposited  
9 into a fund to be administered by the department and made  
10 available to large mass transit authorities for the purchase of  
11 new dedicated compressed natural gas buses. The following shall  
12 apply:

13 (1) The money in the fund is hereby appropriated on a  
14 continuing basis to the Department of Environmental  
15 Protection for the purposes provided for in this subchapter.

16 (2) No more than 1.5% of the fund may be used for  
17 administration.

18 (3) The department may set terms applicable to loans in  
19 any manner it deems appropriate, subject to the provisions of  
20 this subchapter.

21 (e) Application process.--

22 (1) A mass transit authority must complete and submit to  
23 the department a clean transit loan application.

24 (2) Approved applications must obligate the mass transit  
25 authority to contract with a private company:

26 (i) to build exclusively with private funds; and

27 (ii) to maintain and operate any new compressed  
28 natural gas fueling facility necessary to support  
29 compressed natural gas buses purchased with funds  
30 received under this act.

1       (3) The term "operate" as used in this subsection shall  
2 not include the actual act of fueling buses.

3 (f) Eligible costs.--

4       (1) Loan funds received under this subchapter shall be  
5 eligible for:

6           (i) Federally assisted purchases of new dedicated  
7 compressed natural gas buses and shall be limited to the  
8 total percentage of the State and local match.

9           (ii) Nonfederally assisted bus purchases and shall  
10 be limited to 50% of the total incremental cost of a new  
11 compressed natural gas bus.

12       (2) The incremental cost shall be capped at \$60,000 for  
13 buses which have a gross vehicle weight rating over 26,000  
14 pounds and \$35,000 for buses with a gross vehicle weight  
15 rating of 26,000 pounds and under.

16       (3) Buses with a gross vehicle weight rating of less  
17 than 16,000 pounds shall be ineligible.

18       (4) Priority shall be given to those applications which  
19 provide for public access to compressed natural gas vehicle  
20 fueling dispensers.

21 (g) Loan program.--The department shall establish a formula  
22 and method for awarding of loans under the program consistent  
23 with this subchapter.

24 (h) Fund repayment.--

25       (1) Loans disbursed from the fund under subsection (d)  
26 shall be repaid to the Oil and Gas Lease Fund within five  
27 years from disbursement and before June 30, 2021.

28       (2) On June 30, 2021, no money shall be deposited into  
29 the fund and any remaining money in the fund shall be  
30 transferred to the Oil and Gas Lease Fund.



1 3511. Expiration.

2 § 3501. Short title.

3 This subchapter shall be known and may be cited as the  
4 Unconventional Gas Well Impact Act.

5 § 3502. Definitions.

6 The following words and phrases when used in this subchapter  
7 shall have the meanings given to them in this section unless the  
8 context clearly indicates otherwise:

9 "Association." A partnership, limited partnership or any  
10 other form of unincorporated enterprise owned or conducted by  
11 two or more persons.

12 "Coal bed methane." Gas that can be produced from coal beds,  
13 coal seams, mined-out areas or gob wells.

14 "Corporation." A corporation, joint stock association,  
15 limited liability company, business trust or any other  
16 incorporated enterprise organized under the laws of the United  
17 States, this Commonwealth or any other state, territory or  
18 foreign country or dependency.

19 "Department." The Department of Environmental Protection of  
20 the Commonwealth.

21 "Highway mileage." The number of miles of public roads and  
22 streets most recently certified by the Department of  
23 Transportation as eligible for distribution of liquid fuels  
24 funds under the act of June 1, 1956 (1955 P.L.1944, No.655),  
25 referred to as the Liquid Fuels Tax Municipal Allocation Law.

26 "Municipality." A city, borough, incorporated town or  
27 township.

28 "Natural gas." A fossil fuel consisting of a mixture of  
29 hydrocarbon gases, primarily methane, possibly including ethane,  
30 propane, butane, pentane, carbon dioxide, oxygen, nitrogen and

1 hydrogen sulfide and other gas species. The term includes gas  
2 from oil fields known as associated gas or casing head gas,  
3 natural gas fields known as nonassociated gas, coal beds, shale  
4 beds and other formations. The term does not include coal bed  
5 methane.

6 "Nonproducing well." A natural gas well that produces an  
7 average of less than 90,000 cubic feet of natural gas per day  
8 during a calendar year.

9 "Operator." A person or its subsidiary, affiliate or holding  
10 company that holds a permit or other authorization to engage in  
11 the business of severing natural gas for sale, profit or  
12 commercial use from an unconventional gas well in this  
13 Commonwealth. The term does not include a person who severs  
14 natural gas from a storage field.

15 "Person." A natural person or a corporation, fiduciary,  
16 association or other entity, including the Commonwealth and any  
17 of its political subdivisions, instrumentalities and  
18 authorities. When the term is used in a provision prescribing  
19 and imposing a penalty or imposing a fine or both, the term  
20 shall include a member of an association and an officer of a  
21 corporation.

22 "Rate." The rate under section 3503 (relating to  
23 unconventional gas well impact fee).

24 "Reporting period." The fiscal year in which an  
25 unconventional gas well impact fee is assessed.

26 "Unconventional gas well." A bore hole drilled or being  
27 drilled for the purpose of or to be used for producing oil or  
28 gas from a geologic shale formation existing below the base of  
29 the Elk Sandstone or its geologic equivalent stratigraphic  
30 interval where oil or gas generally cannot be produced at

1 economic flow rates or in economic volumes except by one of the  
2 following:

3 (1) Vertical or horizontal well bores stimulated by  
4 hydraulic fracture treatments.

5 (2) Using multilateral well bores or other techniques to  
6 expose more of the formation of the well bore.

7 "Unconventional gas well impact fee." A fee that is adopted  
8 under section 3503 (relating to unconventional gas well impact  
9 fee) on each unconventional gas well producing natural gas  
10 within this Commonwealth.

11 § 3503. Unconventional gas well impact fee.

12 (a) Imposition.--By enactment of an ordinance by the  
13 governing body of a county, except as set forth in subsection  
14 (b), a county may impose an unconventional gas well impact fee  
15 on each unconventional gas well that is located on a well pad  
16 and produces natural gas within the county.

17 (b) Exemptions.--The unconventional gas well impact fee  
18 shall not be imposed on:

19 (1) nonproducing wells; or

20 (2) unconventional gas wells in which all of the natural  
21 gas is used directly by a consumer at the site.

22 (c) Fee for existing unconventional gas wells.--The fee for  
23 an unconventional gas well which is in existence on the  
24 effective date of the ordinance under subsection (a) shall be as  
25 follows:

26 (1) For the first year following the effective date of  
27 the ordinance, not more than \$40,000.

28 (2) For the second year following the effective date of  
29 the ordinance, not more than \$30,000.

30 (3) For the third year following the effective date of

1 the ordinance, not more than \$20,000.

2 (4) For the fourth year through the tenth year following  
3 the effective date of the ordinance, not more than \$10,000.

4 (d) Fee for new unconventional gas wells.--The fee for an  
5 unconventional gas well drilled after the effective date of the  
6 ordinance under subsection (a) shall be as follows:

7 (1) For the first year, not more than \$40,000.

8 (2) For the second year, not more than \$30,000.

9 (3) For the third year, not more than \$20,000.

10 (4) For the fourth year through the tenth year, not more  
11 than \$10,000.

12 (e) Vertical unconventional gas well fee.--

13 (1) The fee for a vertical unconventional gas well shall  
14 be not more than 25% of the fee established in subsections  
15 (c) and (d).

16 (2) For purposes of this subsection, a vertical  
17 unconventional gas well shall be defined as an unconventional  
18 gas well that utilizes hydraulic fracture treatment through a  
19 single vertical well bore.

20 (f) Prohibition.--

21 (1) Under no circumstances may an operator make an  
22 unconventional gas well impact fee, or any other levy related  
23 to the removal or extraction of natural gas, an obligation,  
24 indebtedness or liability of a landowner, leaseholder or  
25 other person in possession of real property upon which such  
26 removal or extraction occurs.

27 (2) Any provision of an agreement between an operator  
28 and a landowner, leaseholder or other person in possession of  
29 real property upon which removal or extraction of natural gas  
30 occurs that violates paragraph (1) shall be null and void.



1       (3) This section shall be applicable to any agreement  
2       entered into ~~on or before~~ BEFORE, ON OR AFTER the effective  
3       date of this section.

4       (g) Retroactivity prohibited.--No fee shall be imposed to  
5       cover a period of natural gas production which occurred prior to  
6       the effective date of the ordinance.

7       § 3504. (Reserved).

8       § 3505. (Reserved).

9       § 3506. Administration.

10       (a) Report.--By April 1 of the year after enactment of an  
11       ordinance imposing a fee under this chapter and each April 1  
12       thereafter, each operator shall submit a report and payment of  
13       the fee with the county on a form prescribed by the department  
14       for the previous calendar year. The report shall include the  
15       following:

16               (1) The number of unconventional gas wells of an  
17               operator in each municipality within the county.

18               (2) The total number of cubic feet of natural gas  
19               severed by the operator for each unconventional gas well  
20               identified under paragraph (1) during the previous calendar  
21               year.

22               (3) The date that each unconventional gas well  
23               identified under paragraph (1) began or ceased the production  
24               of natural gas.

25       (b) Fee due date.--The fee imposed under this chapter shall  
26       be due by April 1 of the year after enactment of an ordinance  
27       imposing the fee and each April 1 thereafter. The fee shall  
28       become delinquent if not remitted to the county on the reporting  
29       date.

30       (c) Public availability.--A report under this section shall



1 be a public record under the act of February 14, 2008 (P.L.6,  
2 No.3), known as the Right-to-Know Law.

3 § 3506.1. Well information.

4 (a) List.--Upon request, the department shall provide a  
5 county with a list of all unconventional gas wells that have  
6 received a well permit from the department issued under this  
7 chapter. The list shall be updated on a monthly basis. In lieu  
8 of providing the list to each county, the department may  
9 maintain a list on its publicly accessible Internet website if  
10 the list is updated on a monthly basis.

11 (b) Updates.--An operator shall notify the county within 30  
12 days from the date the unconventional gas well began or ceased  
13 the production of natural gas.

14 § 3506.2. Payment confirmation.

15 Prior to issuing a permit to drill an unconventional gas well  
16 in this Commonwealth, the department shall require the permit  
17 applicant to certify in its well permit application that the  
18 operator has paid all fees that may be owed under this chapter.  
19 The department may deny a well permit application if it finds  
20 that the operator falsified this certification.

21 § 3506.3. County authority.

22 (a) Powers.--A county may make all inquiries and  
23 determinations necessary to calculate and collect a fee imposed  
24 under this chapter, including, if applicable, interest and  
25 penalties.

26 (b) Notice.--If a county determines that a fee imposed under  
27 this chapter has not been paid in full, it may issue a notice of  
28 the amount due and demand for payment and shall set forth the  
29 basis for the determination.

30 (c) Address.--Notice of failure to pay the correct fee shall

1 be sent to the operator at its registered address via certified  
2 mail.

3 (d) Time period.--A county may challenge the amount of a fee  
4 paid under this chapter within three years after the date the  
5 report under this chapter is filed.

6 (e) Intent.--If no report is filed or an operator files a  
7 false or fraudulent return with the intent to evade a fee, an  
8 assessment of the amount owed may be made at any time.

9 § 3506.4. Enforcement.

10 (a) Assessment.--A county may assess interest on any  
11 delinquent fee imposed under this chapter at the rate prescribed  
12 under section 806 of the act of April 9, 1929 (P.L.343, No.176),  
13 known as The Fiscal Code.

14 (b) Penalty.--In addition to the interest under subsection  
15 (a), if an operator fails to make timely payment of the fee, a  
16 penalty shall be added to the amount of the fee due. The amount  
17 of the penalty shall be 5% for each month, or fraction of a  
18 month, during which the failure continues, not to exceed 25% in  
19 the aggregate.

20 (c) Timely payment.--If a county determines that an operator  
21 has not made a timely payment of the fee, the county shall send  
22 a written notice of the amount of the deficiency to the operator  
23 within 30 days from the date of determining the deficiency. If  
24 the operator has not provided a complete and accurate statement  
25 of the volume of natural gas extracted for the payment period,  
26 the county may estimate the volume in its deficiency notice.

27 (d) Remedies.--The remedies provided under this chapter  
28 shall be in addition to any other remedies provided at law or in  
29 equity.

30 (e) Lien.--Fines, fees, interest and penalties shall be

1 collectible in the manner provided by law for the collection of  
2 debts. If the operator liable to pay any amount neglects or  
3 refuses to pay the amount after demand, the amount, together  
4 with costs that may accrue, shall be a judgment in favor of the  
5 county upon the property of the operator, if the judgment has  
6 been entered and docketed of record by the prothonotary of the  
7 county where the property is situated.

8 § 3506.5. Examinations.

9 (a) Access.--A county which has imposed a fee under this  
10 chapter, or its authorized agents or representatives, shall:

11 (1) Have access to the books, papers and records of any  
12 operator in order to verify the accuracy and completeness of  
13 a report filed or fee paid under this chapter.

14 (2) Require and compel the preservation and production  
15 of all books, papers and records for any period deemed proper  
16 not to exceed three years from the end of the calendar year  
17 to which the records relate.

18 (3) Examine any employee of an operator concerning the  
19 severing of natural gas subject to a fee or any matter  
20 relating to the enforcement of this chapter.

21 (b) Unauthorized disclosure.--

22 (1) Any information obtained by a county as a result of  
23 any report, examination, investigation or hearing under this  
24 section shall be confidential and shall be exempt from  
25 disclosure under the provisions of the act of February 14,  
26 2008 (P.L.6, No.3), known as the Right-to-Know Law, and shall  
27 not be disclosed except in accordance with judicial order or  
28 as otherwise provided by law.

29 (2) An individual unlawfully divulging the information  
30 described under this subsection commits a misdemeanor and

1 shall, upon conviction, be sentenced to pay a fine of not  
2 more than \$1,000 and costs of prosecution or to imprisonment  
3 for not more than one year, or both.

4 § 3507. Deposit of fees.

5 (a) Establishment.--Each county imposing a fee under this  
6 chapter shall establish an interest-bearing account designed  
7 solely for fees.

8 (b) Deposit.--All fees collected by a county imposing a fee  
9 under this chapter shall be deposited into the account described  
10 under subsection (a).

11 § 3508. Allocation and distribution of fees.

12 (a) Allocation of fees.--The fees deposited into the account  
13 established under section 3507 (relating to deposit of fees)  
14 shall be allocated as follows:

15 (1) Seventy-five percent of the fees shall be allocated  
16 to the county and its municipalities in the manner provided  
17 under subsection (b).

18 (2) Twenty-five percent of the fees shall be allocated  
19 to the Commonwealth and distributed in the manner provided  
20 under subsections (c) and (d).

21 (b) Distribution of fees to county and municipalities.--The  
22 fees allocated to the county and its municipalities under  
23 subsection (a) (1) shall be distributed as follows:

24 (1) Thirty-six percent of the fees shall be retained by  
25 the county where the producing unconventional gas wells are  
26 located.

27 (2) Thirty-seven percent of the fees shall be  
28 distributed to the municipalities where producing  
29 unconventional gas wells are located. The amount for each  
30 municipality shall be determined using a formula that divides

1 the number of producing unconventional gas wells in the  
2 municipality by the number of producing unconventional gas  
3 wells in the county and multiplies the resulting percentage  
4 by the amount available for distribution under this  
5 subparagraph.

6 (3) Twenty-seven percent of the fees shall be  
7 distributed to all municipalities in the county where  
8 producing unconventional gas wells are located as follows:

9 (i) Fifty percent shall be distributed to all  
10 municipalities using a formula that divides the  
11 population of the municipality within the county by the  
12 total population of the county and multiplies the  
13 resulting percentage by the amount available for  
14 distribution to the county under this subparagraph.

15 (ii) Fifty percent shall be distributed to each  
16 municipality using a formula that divides the highway  
17 mileage of the municipality within the county by the  
18 total highway mileage of the county and multiplies the  
19 resulting percentage by the amount available for  
20 distribution to the county under this subparagraph.

21 (c) Distribution of fees to Commonwealth.--The fees  
22 allocated to the Commonwealth under subsection (a)(2) shall be  
23 remitted to the Commonwealth for deposit into a restricted  
24 account in the General Fund of the Commonwealth dedicated solely  
25 for fees. The funds are hereby appropriated and shall be  
26 distributed as follows and as set forth under subsection (e):

27 (1) Seventy percent to the Department of Transportation  
28 for road, bridge, rail and other transportation  
29 infrastructure improvements to address impacts from  
30 unconventional natural gas development.

1       (2) Ten and one-half percent to the department, not to  
2 exceed \$10,000,000 annually, for the regulation of  
3 unconventional gas wells and the plugging of abandoned and  
4 orphan gas wells within the Commonwealth.

5       (3) Seven and one-half percent to the Public Utility  
6 Commission, not to exceed \$2,000,000 annually, for the  
7 enhancement, inspection and enforcement of pipeline safety  
8 standards as required by law related to the safe transport of  
9 gas and hazardous liquids.

10       (4) Four and one-half percent to the Pennsylvania  
11 Emergency Management Agency, not to exceed \$2,000,000  
12 annually, for emergency response planning, training and  
13 coordination associated with unconventional natural gas  
14 production activity within the Commonwealth.

15       (5) Three and three-quarters percent to the Department  
16 of Health, not to exceed \$2,000,000 annually, for collecting  
17 and disseminating information, preparing and conducting  
18 health care provider outreach and education and investigating  
19 health-related complaints and other uses associated with  
20 unconventional natural gas production activity within this  
21 Commonwealth.

22       (6) Three and three-quarters percent to the Office of  
23 State Fire Commissioner, not to exceed \$2,000,000 annually,  
24 for the development, delivery and sustainment of training  
25 programs for first responders and acquisition of specialized  
26 equipment necessary for emergency response.

27       (d) Additional distribution of fees to Department of  
28 Transportation.--In addition to the distribution of fees to the  
29 Department of Transportation under subsection (c)(1), any funds  
30 remaining in the restricted account after distribution of fees

1 under subsection (c) (2), (3), (4), (5) and (6) are hereby  
2 appropriated shall be distributed to the Department of  
3 Transportation.

4 (e) Continuing nature.--

5 (1) The distributions under subsections (c) and (d)  
6 shall be executive authorizations.

7 (2) The appropriations under subsections (c) and (d)  
8 shall be continuing appropriations. Those appropriations  
9 shall not lapse at the end of any fiscal year.

10 (f) Timing of distribution.--A county shall distribute the  
11 fees authorized under this chapter within 45 days after the date  
12 the fees are received.

13 (g) Use of funds by counties and municipalities.--A county  
14 or municipality receiving fees under this section shall make use  
15 of the fees received only for the following purposes associated  
16 with unconventional natural gas production within the county or  
17 municipality:

18 (1) Construction, reconstruction, maintenance and repair  
19 of roadways, bridges and public infrastructure.

20 (2) Water, storm water and sewer systems, including  
21 construction, reconstruction, maintenance and repair.

22 (3) Emergency preparedness and response, including  
23 police, fire, hazardous material response, 911, equipment  
24 acquisition, responder recruitment and other services.

25 (4) Preservation and reclamation of surface and  
26 subsurface waters and water supplies, including drinking  
27 water monitoring and testing.

28 (5) Records management, geographic information systems  
29 and information technology.

30 (6) Projects that increase the availability of

1 affordable housing, either for sale or rental, to residents  
2 whose annual income is less than the area median income.

3 (7) Delivery of social services, including domestic  
4 relations, drug and alcohol treatment, job training and  
5 counseling.

6 (8) Assistance to the county conservation district for  
7 inspection, oversight and enforcement of unconventional  
8 natural gas development.

9 (9) County or municipal planning.

10 (10) Local tax reduction.

11 (11) Career and technical centers for training of  
12 workers in the oil and gas industry.

13 § 3509. Calculation of payments.

14 (a) General rule.--The county treasurer of a county that  
15 imposes and collects the unconventional gas well impact fee  
16 shall certify the number of all unconventional gas wells located  
17 within each municipality of the county based upon the  
18 appropriate reports provided by the department.

19 (b) Payments to municipalities.--The county treasurer of a  
20 county that imposes and collects the unconventional gas well  
21 impact fee shall pay to municipalities the amounts required  
22 under this subchapter.

23 § 3510. Recordkeeping and State reporting.

24 (a) General rule.--Commencing in calendar year 2013 and  
25 each year thereafter, before December 1, each county that  
26 imposes and collects the unconventional gas well impact fee  
27 authorized by this subchapter shall prepare and deliver a report  
28 to the Secretary of the Senate and the Chief Clerk of the House  
29 of Representatives detailing the expenditure of the funds  
30 collected under this subchapter.



1 (b) Audit.--The Department of Community and Economic  
2 Development may audit a county's and municipality's expenditure  
3 of the funds.

4 (c) Availability of records.--A county and municipality that  
5 receives the funds shall make its financial records and other  
6 documents relating to its expenditure of the funds available to  
7 the department.

8 (d) Time.--Reports shall be prepared no later than June 30  
9 of the year following the initial receipt of any fees  
10 distributed under this section and each June 30 thereafter.

11 (e) Location.--Reports shall be published on the county or  
12 municipality's publicly accessible Internet website. If a  
13 municipality does not maintain a publicly accessible Internet  
14 website, the municipality shall provide its report to the  
15 county, which shall publish the municipality's report on the  
16 county's publicly accessible Internet website.

17 § 3511. Expiration.

18 (a) Notice.--The Secretary of the Commonwealth shall, upon  
19 the effective date of an act authorizing a severance tax on each  
20 unconventional gas well producing gas in this Commonwealth,  
21 submit for publication in the Pennsylvania Bulletin notice of  
22 that fact.

23 (b) Date.--This chapter shall expire on the date of the  
24 publication of the notice under subsection (a).

25 SUBCHAPTER B

26 (RESERVED)

27 Section 2. Title 58 is amended by adding parts to read:

28 PART I

29 PRELIMINARY PROVISIONS

30 (RESERVED)

1 PART II  
2 (RESERVED)  
3 PART III  
4 UTILIZATION

5 Chapter

6 31. (Reserved)  
7 32. Development

8 CHAPTER 31

9 (RESERVED)

10 CHAPTER 32

11 DEVELOPMENT

12 Subchapter

13 A. Preliminary Provisions  
14 B. General Requirements  
15 C. Underground Gas Storage  
16 D. Eminent Domain  
17 E. Enforcement and Remedies  
18 F. Miscellaneous Provisions

19 SUBCHAPTER A

20 PRELIMINARY PROVISIONS

21 Sec.

22 3201. Scope of chapter.

23 3202. Declaration of purpose.

24 3203. Definitions.

25 § 3201. Scope of chapter.

26 This chapter relates to oil and gas.

27 § 3202. Declaration of purpose.

28 The purposes of this chapter are to:

29 (1) Permit optimal development of oil and gas resources  
30 of this Commonwealth consistent with protection of the

1 health, safety, environment and property of Pennsylvania  
2 citizens.

3 (2) Protect the safety of personnel and facilities  
4 employed in coal mining or exploration, development, storage  
5 and production of natural gas or oil.

6 (3) Protect the safety and property rights of persons  
7 residing in areas where mining, exploration, development,  
8 storage or production occurs.

9 (4) Protect the natural resources, environmental rights  
10 and values secured by the Constitution of Pennsylvania.

11 § 3203. Definitions.

12 The following words and phrases when used in this chapter  
13 shall have the meanings given to them in this section unless the  
14 context clearly indicates otherwise:

15 "Abandoned well." Any of the following:

16 (1) A well:

17 (i) that has not been used to produce, extract or  
18 inject any gas, petroleum or other liquid within the  
19 preceding 12 months;

20 (ii) for which equipment necessary for production,  
21 extraction or injection has been removed; or

22 (iii) considered dry and not equipped for production  
23 within 60 days after drilling, redrilling or deepening.

24 (2) The term does not include wells granted inactive  
25 status.

26 "Alteration." An operation which changes the physical  
27 characteristics of a well bore, including stimulation or  
28 removing, repairing or changing the casing. For the purpose of  
29 this chapter only, the term does not include:

30 (1) Repairing or replacing of the casing if the activity

1 does not affect the depth or diameter of the well bore, the  
2 use or purpose of the well does not change and the activity  
3 complies with regulations promulgated under this chapter,  
4 except that this exclusion does not apply:

5 (i) to production casings in coal areas when the  
6 production casings are also the coal protection casings;  
7 or

8 (ii) when the method of repairing or replacing the  
9 casing would affect the coal protection casing.

10 (2) Stimulation of a well.

11 "Board." The Oil and Gas Technical Advisory Board.

12 "Bridge." An obstruction placed in a well at any depth.

13 "Building." An occupied structure with walls and roof within  
14 which persons live or customarily work.

15 "Casing." A string or strings of pipe commonly placed in  
16 wells drilled for natural gas or petroleum.

17 "Cement" or "cement grout." Any of the following:

18 (1) Hydraulic cement properly mixed with water only.

19 (2) A mixture of materials adequate for bonding or  
20 sealing of well bores as approved by regulations promulgated  
21 under this chapter.

22 "Coal mine." Any of the following:

23 (1) Operations in a coal seam, including excavated  
24 portions, abandoned portions and places actually being  
25 worked.

26 (2) Underground workings and shafts, slopes, tunnels and  
27 other ways and openings, including those which are in the  
28 course of being sunk or driven, along with all roads and  
29 facilities connected with them below the surface.

30 "Coal operator." A person that operates or proposes to

1 operate a coal mine as an owner or lessee.

2 "Completion of a well." The date after treatment, if any,  
3 that the well is properly equipped for production of oil or gas,  
4 or, if the well is dry, the date that the well is abandoned.

5 "Department." The Department of Environmental Protection of  
6 the Commonwealth.

7 "Drilling." The drilling or redrilling of a well or the  
8 deepening of an existing well.

9 "Environmental law." Any of the following:

10 (1) A Federal statute pertaining to oil and gas  
11 operations, public health, safety, natural resources or the  
12 environment.

13 (2) A Federal regulation, rule, administrative order or  
14 agency interpretation or guidance pertaining to oil and gas  
15 operations, public health, safety, natural resources or the  
16 environment.

17 (3) A Federal judicial decision pertaining to oil and  
18 gas operations, public health, safety, natural resources or  
19 the environment.

20 (4) A Commonwealth statute pertaining to oil and gas  
21 operations, public health, safety, natural resources or the  
22 environment. The term includes any of the following:

23 (i) The act of June 22, 1937 (P.L.1987, No.394),  
24 known as The Clean Streams Law.

25 (ii) The act of January 8, 1960 (1959 P.L.2119,  
26 No.787), known as the Air Pollution Control Act.

27 (iii) The act of July 7, 1961 (P.L.518, No.268),  
28 known as the Delaware River Basin Compact.

29 (iv) The act of July 25, 1961 (P.L.825, No.359),  
30 known as the Oil and Gas Conservation Law.

- 1           (v) The act of July 17, 1968 (P.L.368, No.181),  
2           referred to as the Susquehanna River Basin Compact Law.
- 3           (vi) The act of October 4, 1978 (P.L.864, No.167),  
4           known as the Storm Water Management Act.
- 5           (vii) The act of November 26, 1978 (P.L.1375,  
6           No.325), known as the Dam Safety and Encroachments Act.
- 7           (viii) The act of July 7, 1980 (P.L.380, No.97),  
8           known as the Solid Waste Management Act.
- 9           (ix) The act of June 23, 1982 (P.L.597, No.170),  
10           known as the Wild Resource Conservation Act.
- 11           (x) The act of May 1, 1984 (P.L.206, No.43), known  
12           as the Pennsylvania Safe Drinking Water Act.
- 13           (xi) The act of July 10, 1984 (P.L.688, No.147),  
14           known as the Radiation Protection Act.
- 15           (xii) The act of October 5, 1984 (P.L.734, No.159),  
16           known as the Worker and Community Right-to-Know Act.
- 17           (xiii) The act of December 18, 1984 (P.L.1069,  
18           No.214), known as the Coal and Gas Resource Coordination  
19           Act.
- 20           (xiv) The act of December 19, 1984 (P.L.1093,  
21           No.219), known as the Noncoal Surface Mining Conservation  
22           and Reclamation Act.
- 23           (xv) The act of October 18, 1988 (P.L.756, No.108),  
24           known as the Hazardous Sites Cleanup Act.
- 25           (xvi) The act of July 6, 1989 (P.L.169, No.32),  
26           known as the Storage Tank and Spill Prevention Act.
- 27           (xvii) The act of December 7, 1990 (P.L.639,  
28           No.165), known as the Hazardous Material Emergency  
29           Planning and Response Act.
- 30           (xviii) The act of May 19, 1995 (P.L.4, No.2), known

1 as the Land Recycling and Environmental Remediation  
2 Standards Act.

3 (xix) The act of July 4, 2008 (P.L.526, No.43),  
4 known as the Great Lakes-St. Lawrence River Basin Water  
5 Resources Compact.

6 (xx) The provisions of 27 Pa.C.S. Ch. 31 (relating  
7 to water resources planning)

8 (xxi) The provisions of 27 Pa.C.S. Ch. 41 (relating  
9 to environmental laboratory accreditation).

10 (xxii) The provisions of 27 Pa.C.S. Ch. 62 (relating  
11 to waste transportation safety).

12 (xxiii) The provisions of 30 Pa.C.S. (relating to  
13 fish).

14 (xxiv) The provisions of 34 Pa.C.S. (relating to  
15 game).

16 (5) A regulation, rule, administrative order or agency  
17 interpretation or guidance of a Commonwealth agency  
18 pertaining to oil and gas operations, public health, safety,  
19 natural resources or the environment.

20 (6) A decision of a court of this Commonwealth  
21 pertaining to oil and gas operations, public health, safety,  
22 natural resources or the environment.

23 "Fresh groundwater." Water in that portion of the generally  
24 recognized hydrologic cycle which occupies the pore spaces and  
25 fractures of saturated subsurface materials.

26 "Gas." Any of the following:

27 (1) A fluid, combustible or noncombustible, which is  
28 produced in a natural state from the earth and maintains a  
29 gaseous or rarified state at standard temperature of 60  
30 degrees Fahrenheit and pressure 14.7 PSIA.

1           (2) Any manufactured gas, byproduct gas or mixture of  
2           gases or natural gas liquids.

3           "Inactivate." To shut off the vertical movement of gas in a  
4           gas storage well by means of a temporary plug or other suitable  
5           device or by injecting bentonitic mud or other equally nonporous  
6           material into the well.

7           "Linear foot." A unit or measurement in a straight line on a  
8           horizontal plane.

9           "Oil." Hydrocarbons in liquid form at standard temperature  
10          of 60 degrees Fahrenheit and pressure 14.7 PSIA, also referred  
11          to as petroleum.

12          "Oil and gas operations." Any of the following:

13           (1) Exploration for oil and gas. This paragraph includes  
14           the conduct of seismic operations.

15           (2) Siting and locating of oil and gas wells.

16           (3) Drilling, stimulation and completion of oil and gas  
17           wells.

18           (4) Generation, processing, treatment, storage,  
19           transportation and disposal of fresh water, wastewater,  
20           wastes, chemicals and other materials directly associated  
21           with drilling, stimulation and completion of oil and gas  
22           wells.

23           (5) Production, gathering and collection of oil or gas.

24           (6) Compression, transportation, processing, measurement  
25           and storage of oil or gas.

26           (7) Reclamation activities.

27           (8) Construction and use of drilling rigs and pipelines.  
28           This paragraph includes equipment directly related to the  
29           activities set forth in this paragraph.

30           (9) Construction and use of access roads, well sites,



1 drilling pads, impoundments, compression stations, processing  
2 stations, meter stations and storage tanks. This paragraph  
3 includes buildings, facilities or structures, which are  
4 directly related to the activities set forth in this  
5 paragraph. This paragraph does not include ancillary support,  
6 supply and service facilities, the location of which is not  
7 dependent on the location of specific wells or pipelines.

8 "Operating coal mine." Any of the following:

9 (1) An underground coal mine which is producing coal or  
10 has been in production of coal at any time during the 12  
11 months immediately preceding the date its status is put in  
12 question, including contiguous worked-out or abandoned coal  
13 mines to which it is connected underground.

14 (2) An underground coal mine to be established or  
15 reestablished under paragraph (1).

16 "Operating well." A well that is not plugged and abandoned.

17 "Orphan well." A well abandoned prior to April 18, 1985,  
18 that has not been affected or operated by the present owner or  
19 operator and from which the present owner, operator or lessee  
20 has received no economic benefit other than as a landowner or  
21 recipient of a royalty interest from the well.

22 "Outside coal boundaries." When used in conjunction with the  
23 term "operating coal mine," the boundaries of the coal acreage  
24 assigned to the coal mine under an underground mine permit  
25 issued by the Department of Environmental Protection.

26 "Owner." A person who owns, manages, leases, controls or  
27 possesses a well or coal property. The term does not apply to  
28 orphan wells, except where the Department of Environmental  
29 Protection determines a prior owner or operator benefited from  
30 the well as provided in section 3220(a) (relating to plugging

1 requirements).

2 "Person." An individual, association, partnership,  
3 corporation, political subdivision or agency of the Federal  
4 Government, State government or other legal entity.

5 "Petroleum." Hydrocarbons in liquid form at standard  
6 temperature of 60 degrees Fahrenheit and pressure 14.7 PSIA,  
7 also referred to as oil.

8 "Pillar." A solid block of coal surrounded by either active  
9 mine workings or a mined-out area.

10 "Plat." A map, drawing or print accurately drawn to scale  
11 showing the proposed or existing location of a well or wells.

12 "Reservoir protective area." The area surrounding a storage  
13 reservoir boundary, but within 2,000 linear feet of the storage  
14 reservoir boundary, unless an alternate area has been designated  
15 by the Department of Environmental Protection, which is deemed  
16 reasonably necessary to afford protection to the reservoir,  
17 under a conference held in accordance with section 3251  
18 (relating to conferences).

19 "Retreat mining." Removal of coal pillars, ribs and stumps  
20 remaining after development mining has been completed in that  
21 section of a coal mine.

22 "Secretary." The Secretary of Environmental Protection of  
23 the Commonwealth.

24 "Storage operator." A person who operates or proposes to  
25 operate a storage reservoir as an owner or lessee.

26 "Storage reservoir." That portion of a subsurface geological  
27 stratum into which gas is or may be injected for storage  
28 purposes or to test suitability of the stratum for storage.

29 "Unconventional well." A bore hole drilled or being drilled  
30 for the purpose of or to be used for producing oil or gas from a

1 geological shale formation existing below the base of the Elk  
2 Sandstone or its geologic equivalent stratigraphic interval  
3 where oil or gas generally cannot be produced at economic flow  
4 rates or in economic volumes except by one of the following:

5 (1) Vertical or horizontal well bores stimulated by  
6 hydraulic fracture treatments.

7 (2) Using multilateral well bores or other techniques to  
8 expose more of the formation of the well bore.

9 "Water management plan." A plan associated with drilling or  
10 completing a well in an unconventional formation that  
11 demonstrates that the withdrawal and use of water sources  
12 protects those sources as required by law and protects public  
13 health, safety and welfare.

14 "Water purveyor." Any of the following:

15 (1) The owner or operator of a public water system as  
16 defined in section 3 of the act of May 1, 1984 (P.L.206,  
17 No.43), known as the Pennsylvania Safe Drinking Water Act.

18 (2) Any person subject to the act of June 24, 1939  
19 (P.L.842, No.365), referred to as the Water Rights Law.

20 "Water source."

21 (1) Any of the following:

22 (i) Waters of this Commonwealth.

23 (ii) A source of water supply used by a water  
24 purveyor.

25 (iii) Mine pools and discharges.

26 (iv) Any other waters that are used for drilling or  
27 completing a well in an unconventional formation.

28 (2) The term does not include flowback or production  
29 waters or other fluids:

30 (i) which are used for drilling or completing a well

1 in an unconventional formation; and

2 (ii) which do not discharge into waters of this  
3 Commonwealth.

4 "Well." A bore hole drilled or being drilled for the purpose  
5 of, or to be used for, producing, extracting or injecting gas,  
6 petroleum or another liquid related to oil or gas production or  
7 storage, including brine disposal, but excluding a bore hole  
8 drilled to produce potable water. The term does not include a  
9 bore hole drilled or being drilled for the purpose of, or to be  
10 used for:

11 (1) Systems of monitoring, producing or extracting gas  
12 from solid waste disposal facilities, if the bore hole is a  
13 well subject to the act of July 7, 1980 (P.L.380, No.97),  
14 known as the Solid Waste Management Act, which does not  
15 penetrate a workable coal seam.

16 (2) Degasifying coal seams, if the bore hole is:

17 (i) used to vent methane to the outside atmosphere  
18 from an operating coal mine; regulated as part of the  
19 mining permit under the act of June 22, 1937 (P.L.1987,  
20 No.394), known as The Clean Streams Law, and the act of  
21 May 31, 1945 (P.L.1198, No.418), known as the Surface  
22 Mining Conservation and Reclamation Act; and drilled by  
23 the operator of the operating coal mine for the purpose  
24 of increased safety; or

25 (ii) used to vent methane to the outside atmosphere  
26 under a federally funded or State-funded abandoned mine  
27 reclamation project.

28 "Well control emergency." An incident during drilling,  
29 operation, workover or completion that, as determined by the  
30 department, poses a threat to public health, welfare or safety,

1 including a loss of circulation fluids, kick, casing failure,  
2 blowout, fire and explosion.

3 "Well control specialist." Any person trained to respond to  
4 a well control emergency with a current certification from a  
5 well control course accredited by the International Association  
6 of Drilling Contractors or other organization approved by the  
7 department.

8 "Well operator" or "operator." Any of the following:

9 (1) The person designated as operator or well operator  
10 on the permit application or well registration.

11 (2) If a permit or well registration was not issued, a  
12 person who locates, drills, operates, alters or plugs a well  
13 or reconditions a well with the purpose of production from  
14 the well.

15 (3) If a well is used in connection with underground  
16 storage of gas, a storage operator.

17 "Wetland." Areas inundated or saturated by surface or  
18 groundwater at a frequency and duration sufficient to support,  
19 and which normally support, a prevalence of vegetation typically  
20 adapted for life in saturated soil conditions, including swamps,  
21 marshes, bogs and similar areas.

22 "Workable coal seams." A coal seam which:

23 (1) is actually being mined in the area in question  
24 under this chapter by underground methods; or

25 (2) in the judgment of the Department of Environmental  
26 Protection, can reasonably be expected to be mined by  
27 underground methods.

## 28 SUBCHAPTER B

### 29 GENERAL REQUIREMENTS

30 Sec.

1 3211. Well permits.  
2 3212. Permit objections.  
3 3212.1. Comments by municipalities.  
4 3213. Well registration and identification.  
5 3214. Inactive status.  
6 3215. Well location restrictions.  
7 3215.1. General restrictions.  
8 3216. Well site restoration.  
9 3217. Protection of fresh groundwater and casing requirements.  
10 3218. Protection of water supplies.  
11 3219. Use of safety devices.  
12 3219.1. Well control emergency response.  
13 3220. Plugging requirements.  
14 3221. Alternative methods.  
15 3222. Well reporting requirements.  
16 3223. Notification and effect of well transfer.  
17 3224. Coal operator responsibilities.  
18 3225. Bonding.  
19 3226. Oil and Gas Technical Advisory Board.  
20 3227. AIR CONTAINMENT EMISSIONS.

21 § 3211. Well permits.

22 (a) Permit required.--No person shall drill or alter a well,  
23 except for alterations which satisfy the requirements of  
24 subsection (j), without having first obtained a well permit  
25 under subsections (b), (c), (d) and (e), or operate an abandoned  
26 or orphan well unless in compliance with subsection (l). A copy  
27 of the permit shall be kept at the well site during drilling or  
28 alteration of the well. No person shall be required to obtain a  
29 permit to redrill a nonproducing well if the redrilling:

30 (1) has been evaluated and approved as part of an order

1 from the department authorizing cleaning out and plugging or  
2 replugging a nonproducing well under section 13(c) of the act  
3 of December 18, 1984 (P.L.1069, No.214), known as the Coal  
4 and Gas Resource Coordination Act; and

5 (2) is incidental to a plugging or replugging operation  
6 and the well is plugged within 15 days of redrilling.

7 (b) Plat.--

8 (1) The permit application shall be accompanied by a  
9 plat prepared by a competent engineer or a competent  
10 surveyor, on forms furnished by the department, showing the  
11 political subdivision and county in which the tract of land  
12 upon which the well to be drilled is located; a list of  
13 municipalities adjacent to the well site; the name of the  
14 surface landowner of record and lessor; the name of all  
15 surface landowners and water purveyors whose water supplies  
16 are within 1,000 feet of the proposed well location or, in  
17 the case of an unconventional well, within 2,500 feet of the  
18 proposed well location; the name of the owner of record or  
19 operator of all known underlying workable coal seams; the  
20 acreage in the tract to be drilled; the proposed location of  
21 the well determined by survey, courses and distances of the  
22 location from two or more permanent identifiable points or  
23 landmarks on the tract boundary corners; the proposed angle  
24 and direction of the well if the well is to be deviated  
25 substantially from a vertical course; the number or other  
26 identification to be given the well; the workable coal seams  
27 underlying the tract of land upon which the well is to be  
28 drilled or altered and which shall be cased off under section  
29 3217 (relating to protection of fresh groundwater and casing  
30 requirements); and any other information needed by the

1 department to administer this chapter.

2 (2) no later than 30 days prior to submitting the  
3 application required in subsection (a), the applicant shall  
4 forward by certified mail a copy of the plat to the surface  
5 landowner; the municipality in which the tract of land upon  
6 which the well to be drilled is located; the municipalities  
7 adjacent to the well; all surface landowners and water  
8 purveyors, whose water supplies are within 1,000 feet of the  
9 proposed well location or, in the case of an unconventional  
10 well, within 2,500 feet of the proposed well location; the  
11 owner and lessee of any coal seams; and each coal operator  
12 required to be identified on the well permit application.

13 (b.1) Notification.--The applicant shall submit proof of  
14 notification with the well permit application. Notification of  
15 surface owners shall be performed by sending notice to those  
16 persons to whom the tax notices for the surface property are  
17 sent, as indicated in the assessment books in the county in  
18 which the property is located. Notification of surface  
19 landowners or water purveyors whose water supplies are within  
20 1,000 feet of the proposed well location shall be on forms, and  
21 in a manner prescribed by the department, sufficient to identify  
22 the rights afforded those persons under section 3218 (relating  
23 to protection of water supplies) and to advise them of the  
24 advantages of taking their own predrilling or prealteration  
25 survey.

26 (b.2) Approval.--If the applicant submits to the department  
27 written approval of the proposed well location by the surface  
28 landowner and the coal operator, lessee or owner of any coal  
29 underlying the proposed well location and no objections are  
30 raised by the department within 15 days of filing, or if no



1 approval has been submitted and no objections are made to the  
2 proposed well location within 15 days from receipt of notice by  
3 the department, the surface landowner or any coal operator,  
4 lessee or owner, the written approval shall be filed and become  
5 a permanent record of the well location, subject to inspection  
6 at any time by any interested person.

7 (c) Applicants.--If the applicant for a well permit is a  
8 corporation, partnership or person that is not a resident of  
9 this Commonwealth, the applicant shall designate the name and  
10 address of an agent for the operator who shall be the attorney-  
11 in-fact for the operator and who shall be a resident of this  
12 Commonwealth upon whom notices, orders or other communications  
13 issued under this chapter may be served and upon whom process  
14 may be served. Each well operator required to designate an agent  
15 under this section shall, within five days after termination of  
16 the designation, notify the department of the termination and  
17 designate a new agent.

18 (d) Permit fee.--Each application for a well permit shall be  
19 accompanied by a permit fee, established by regulation of the  
20 department, which bears a reasonable relationship to the cost of  
21 administering this chapter.

22 (e) Issuance of permit.--The department shall issue a permit  
23 within 45 days of submission of a permit application unless the  
24 department denies the permit application for one or more of the  
25 reasons set forth in subsection (e.1), except that the  
26 department shall have the right to extend the period for 15 days  
27 for cause shown upon notification to the applicant of the  
28 reasons for the extension. The department may impose permit  
29 terms and conditions necessary to assure compliance with this  
30 chapter or other laws administered by the department.

1 (e.1) Denial of permit.--The department may deny a permit  
2 for any of the following reasons:

3 (1) The well site for which a permit is requested is in  
4 violation of any of this chapter or issuance of the permit  
5 would result in a violation of this chapter or other  
6 applicable law.

7 (2) The permit application is incomplete.

8 (3) Unresolved objections to the well location by coal  
9 mine owner or operator remain.

10 (4) The requirements of section 3225 (relating to  
11 bonding) have not been met.

12 (5) The department finds that the applicant, or any  
13 parent or subsidiary corporation of the applicant, is in  
14 continuing violation of this subchapter, any other statute  
15 administered by the department, any rule or regulation  
16 promulgated under this subchapter or a statute administered  
17 by the department or any plan approval, permit or order of  
18 the department, unless the violation is being corrected to  
19 the satisfaction of the department. The right of the  
20 department to deny a permit under this paragraph shall not  
21 take effect until the department has taken a final action on  
22 the violations and:

23 (i) the applicant has not appealed the final  
24 action in accordance with the act of July 13, 1988  
25 (P.L.530, No.94), known as the Environmental Hearing  
26 Board Act; or

27 (ii) if an appeal has been filed, no supersedeas  
28 has been issued.

29 (f) Drilling.--

30 (1) Upon issuance of a permit, the well operator may

1 drill at the location shown on the plat after providing the  
2 department, the surface landowner and the local political  
3 subdivision in which the well is to be located 24 hours'  
4 notice of the date that drilling will commence.

5 (2) The unconventional well operator shall provide the  
6 department 24 hours' notice prior to cementing all casing  
7 strings, conducting pressure tests of the production casing,  
8 stimulation and abandoning or plugging an unconventional  
9 well.

10 (3) In noncoal areas where more than one well is to be  
11 drilled as part of the same development project, only the  
12 first well of the project need be located by survey.  
13 Remaining wells of the project shall be shown on the plat in  
14 a manner prescribed by regulation.

15 (4) Prior to drilling each additional project well, the  
16 well operator shall notify the department and provide  
17 reasonable notice of the date on which drilling will  
18 commence.

19 (5) Whenever, before or during the drilling of a well  
20 not within the boundaries of an operating coal mine, the well  
21 operator encounters conditions of a nature which renders  
22 drilling of the bore hole or a portion thereof impossible, or  
23 more hazardous than usual, the well operator, upon verbal  
24 notice to the department, may immediately plug all or part of  
25 the bore hole, if drilling has occurred, and commence a new  
26 bore hole not more than 50 feet from the old bore hole if the  
27 location of the new bore hole does not violate section 3215  
28 (relating to well location restrictions) and, in the case of  
29 a well subject to act of July 25, 1961 (P.L.825, No.359),  
30 known as the Oil and Gas Conservation Law, if the new

1 location complies with existing laws, regulations and spacing  
2 orders and the new bore hole is at least 330 feet from the  
3 nearest lease boundary.

4 (6) Within ten days of commencement of the new bore  
5 hole, the well operator shall file with the department a  
6 written notice of intention to plug, a well record, a  
7 completion report, a plugging certificate for the original  
8 bore hole and an amended plat for the new bore hole.

9 (7) The well operator shall forward a copy of the  
10 amended plat to the surface landowner identified on the well  
11 permit application within ten days of commencement of the new  
12 well bore.

13 (g) Posting.--The well permit number and operator's name,  
14 address and telephone number shall be conspicuously posted at  
15 the drilling site prior to commencement of drilling.

16 (h) Labeling.--The well operator shall install the permit  
17 number issued by the department in a legible, visible and  
18 permanent manner on the well upon completion.

19 (i) Expiration.--Well permits issued for drilling wells  
20 under this chapter shall expire one year after issuance unless  
21 operations for drilling the well are commenced within the period  
22 and pursued with due diligence or unless the permit is renewed  
23 in accordance with regulations of the department. If drilling is  
24 commenced during the one-year period, the well permit shall  
25 remain in force until the well is plugged in accordance with  
26 section 3220 (relating to plugging requirements) or the permit  
27 is revoked. A drilling permit issued prior to April 18, 1985,  
28 for a well which is an operating well on April 18, 1985, shall  
29 remain in force as a well permit until the well is plugged in  
30 accordance with section 3220. Nothing in this subsection shall

1 be construed to rescind the provisions pertaining to drilling  
2 permits contained in Chapter 34.

3 (j) Exceptions.--The Environmental Quality Board may  
4 establish by regulation certain categories of alterations of  
5 permitted or registered wells for which permitting requirements  
6 of this section shall not apply. A well operator or owner who  
7 proposes to conduct the alteration activity shall first obtain a  
8 permit or registration modification from the department. The  
9 Environmental Quality Board shall promulgate regulations as to  
10 the requirements for modifications.

11 (k) No transfer permitted.--No permit issued under this  
12 section or registration issued under section 3213 (relating to  
13 well registration and identification) may be transferred without  
14 prior approval of the department. A request for approval of a  
15 transfer shall be on the forms, and in the manner, prescribed by  
16 the department. The department shall approve or deny a transfer  
17 request within 45 days of receipt of a complete and accurate  
18 application. The department may deny a request only for reasons  
19 set forth in subsection (e.1)(4) and (5). Approval of a transfer  
20 request shall permanently transfer responsibility to plug the  
21 well under section 3220 to the recipient of the transferred  
22 permit or registration.

23 (l) Regulations.--The Environmental Quality Board may  
24 establish by regulation requirements for the permitting and  
25 operation of abandoned or orphan wells. A person who proposes to  
26 conduct abandoned or orphan well operations shall first obtain a  
27 permit to operate an abandoned or orphan well.

28 (m) Water management.--The following shall apply to water  
29 management:

30 (1) No person may withdraw or use water from water

1 sources within this Commonwealth for the drilling or  
2 hydraulic fracture stimulation of any natural gas well  
3 completed in an unconventional gas formation, whether on or  
4 off of the land where the gas well is located, except in  
5 accordance with a water management plan approved by the  
6 department.

7 (2) The department shall review and approve water  
8 management plans based upon a determination that the proposed  
9 withdrawal, when operated in accordance with the proposed  
10 withdrawal operating conditions set forth in the plan,  
11 including conditions relating to quantity, withdrawal rate  
12 and timing and any passby flow conditions, will:

13 (i) not adversely affect the quantity or quality of  
14 water available to other users of the same water sources;

15 (ii) protect and maintain the designated and  
16 existing uses of water sources; and

17 (iii) not cause adverse impact to water quality in  
18 the watershed considered as a whole.

19 (3) (i) The criteria under paragraph (2) shall be  
20 presumed to be achieved if the proposed water withdrawal  
21 has been approved by and is operated in accordance with  
22 conditions established by the Susquehanna River Basin  
23 Commission, the Delaware River Basin Commission or the  
24 Great Lakes Commission, as applicable.

25 (ii) Notwithstanding subparagraph (i), the  
26 department may establish additional requirements as  
27 necessary to comply with the laws of this Commonwealth.

28 (4) In addition to the requirements under paragraphs  
29 (1), (2) and (3), compliance with a department-approved water  
30 management plan shall be a condition of any permit issued

1 under this chapter for the drilling or hydraulic fracture  
2 stimulation of any natural gas well completed in an  
3 unconventional formation and shall be deemed to satisfy the  
4 laws of this Commonwealth.

5 § 3212. Permit objections.

6 (a) General rule.--If a well referred to in section 3211(b)  
7 (relating to well permits) will be located on a tract whose  
8 surface is owned by a person other than the well operator, the  
9 surface landowner affected shall be notified of the intent to  
10 drill and may file objections, in accordance with section 3251  
11 (relating to conferences), based on the assertion that the well  
12 location violates section 3215 (relating to well location  
13 restrictions) or that information in the application is untrue  
14 in any material respect, within 15 days of the receipt by the  
15 surface owner of the plat under section 3211(b). Receipt of  
16 notice by the surface owner shall be presumed to have occurred  
17 15 days from the date of the certified mailing when the well  
18 operator submits a copy of the certified mail receipt sent to  
19 the surface owner and an affidavit certifying that the address  
20 of the surface owner to which notice was sent is the same as the  
21 address listed in the assessment books in the county where the  
22 property is located. If no objection is filed or none is raised  
23 by the department within 15 days after receipt of the plat by  
24 the surface landowner, or, if written approval by the surface  
25 landowner is filed with the department and no objection is  
26 raised by the department within 15 days of filing, the  
27 department shall proceed to issue or deny the permit.

28 (b) Special circumstances.--If a well referred to in section  
29 3211(b) will penetrate within the outside coal boundaries of an  
30 operating coal mine or a coal mine already projected and platted

1 but not yet being operated, or within 1,000 linear feet beyond  
2 those boundaries, and, in the opinion of the coal owner or  
3 operator, the well or a pillar of coal about the well will  
4 unduly interfere with or endanger the mine, the coal owner or  
5 operator affected may file objections under section 3251 to the  
6 proposed location within 15 days of the receipt by the coal  
7 operator of the plat under section 3211(b). If possible, an  
8 alternative location at which the proposed well could be drilled  
9 to overcome the objections shall be indicated. If no objection  
10 to the proposed location is filed or if none is raised by the  
11 department within 15 days after receipt of the plat by the coal  
12 operator or owner, or, if written approval by the coal operator  
13 or owner of the location is filed with the department and no  
14 objection is raised by the department within 15 days of filing,  
15 the department shall proceed to issue or deny the permit.

16 (c) Procedure upon objection.--If an objection is filed by a  
17 coal operator or owner or made by the department, the department  
18 shall fix a time and place for a conference under section 3251  
19 not more than ten days from the date of service of the objection  
20 to allow the parties to consider the objection and attempt to  
21 agree on a location. If they fail to agree, the department, by  
22 an appropriate order, shall determine a location on the tract of  
23 land as near to the original location as possible where, in the  
24 judgment of the department, the well can be safely drilled  
25 without unduly interfering with or endangering the mine as  
26 defined in subsection (b). The new location agreed upon by the  
27 parties or determined by the department shall be indicated on  
28 the plat on file with the department and become a permanent  
29 record upon which the department shall proceed to issue or deny  
30 the permit.



1 (d) Survey.--Within 120 days after commencement of drilling  
2 operations, the coal operator shall accurately locate the well  
3 by a closed survey on the same datum as the mine workings or  
4 coal boundaries are mapped, file the results of the survey with  
5 the department and forward a copy by certified mail to the well  
6 operator.

7 § 3212.1. Comments by municipalities.

8 (a) General rule.--The municipality where the tract of land  
9 upon which the unconventional well to be drilled is located may  
10 submit written comments to the department describing local  
11 conditions or circumstances which the municipality has  
12 determined should be considered by the department in rendering  
13 its determination on the unconventional well permit. A comment  
14 under this subsection must be submitted to the department within  
15 15 days of the receipt of the plat under section 3211(b)  
16 (relating to well permits). The municipality shall  
17 simultaneously forward a copy of its comments to the permit  
18 applicant and all other parties entitled to a copy of the plat  
19 under section 3211(b), who may submit a written response. A  
20 written response must be submitted to the department within ten  
21 days of receipt of the comments of the municipality.

22 (b) Consideration by department.--Comments and responses  
23 under subsection (a) may be considered by the department in  
24 accordance with section 3215(d) (relating to well location  
25 restrictions).

26 (c) No extension of time period.--The process outlined in  
27 this section shall not extend the time period for the issuance  
28 or denial of a permit beyond the time period set forth in this  
29 chapter.

30 § 3213. Well registration and identification.

1 (a) General rule.--On or before July 5, 1996, each person  
2 who owned or operated a well in existence prior to April 18,  
3 1985, which has not been registered with the department and for  
4 which no drilling permit has been issued by the department,  
5 shall register the well with the department. A well owner or  
6 operator who registers under this subsection and a well owner or  
7 operator who has previously registered a well under this chapter  
8 shall, on or before July 5, 1996, identify any abandoned well on  
9 property which the well owner or operator owns or leases and  
10 request approval from the department for classification of the  
11 well as an orphan well. Information regarding wells to be  
12 registered or identified shall be provided on a form, or in a  
13 manner prescribed by the department, and shall include:

14 (1) The name and address of the well operator and, if  
15 the well operator is a corporation, partnership or person  
16 nonresident of this Commonwealth, the name and address of an  
17 agent for the operator upon whom notices, orders, process or  
18 other communications issued under this chapter may be served.

19 (2) The well name and the location of the well indicated  
20 by a point on a 7 1/2 minute United States Geological Survey  
21 topographic map or any other location description sufficient  
22 to enable the department to locate the well on the ground.

23 (3) The approximate date of drilling and completing the  
24 well, its approximate depth and producing horizons, well  
25 construction information and, if available, driller's logs.

26 (4) An indemnity bond, an alternative fee in lieu of  
27 bonding or other evidence of financial security submitted by  
28 the well operator and deemed appropriate by the department  
29 and satisfying the requirements of section 3225 (relating to  
30 bonding). No bond, alternative fee or other evidence of

1 financial security shall be required for identification of an  
2 orphan well. For wells drilled prior to January 30, 1956,  
3 which have not been bonded, the well operator shall have five  
4 years to comply with the provisions of this paragraph.

5 (5) A registration fee of \$15 per well or blanket  
6 registration fee of \$250 for multiple well registration  
7 applications submitted simultaneously. The registration fee  
8 shall be waived until July 5, 1996, and no fee shall be  
9 charged for identification of an orphan well.

10 (a.1) Orphan wells.--After July 5, 1996, a well owner, well  
11 operator or other person discovering an abandoned well on  
12 property purchased or leased by the well owner, well operator or  
13 other person shall identify it to the department within 60 days  
14 of discovery and advise the department that he is seeking  
15 classification of the well as an orphan well. No fee shall be  
16 required for identification.

17 (b) Extension.--The department may extend the one-year time  
18 period under subsection (a) for good cause shown. The extension  
19 may not exceed a period ending two years from April 18, 1985.  
20 The department may adopt and promulgate guidelines designed to  
21 ensure a fair implementation of this section, recognizing the  
22 practical difficulties of locating unpermitted wells and  
23 complying with the reporting requirements of this chapter.

24 (c) Installation of registration number.--The well operator  
25 shall install the registration number issued by the department  
26 in a legible, conspicuous and permanent manner on the well  
27 within 60 days of issuance.

28 (d) Definition.--For purposes of subsection (a) (4) and (5),  
29 the term "owner" does not include an owner or possessor of  
30 surface real property, on which an abandoned well is located,

1 who did not participate or incur costs in, and had no right of  
2 control over, the drilling or extraction operation of the  
3 abandoned well.

4 § 3214. Inactive status.

5 (a) General rule.--Upon application, the department shall  
6 grant inactive status for a period of five years for a permitted  
7 or registered well, if the following requirements are met:

8 (1) the condition of the well is sufficient to prevent  
9 damage to the producing zone or contamination of fresh water  
10 or other natural resources or surface leakage of any  
11 substance;

12 (2) the condition of the well is sufficient to stop the  
13 vertical flow of fluids or gas within the well bore and is  
14 adequate to protect freshwater aquifers, unless the  
15 department determines the well poses a threat to the health  
16 and safety of persons or property or to the environment;

17 (3) the operator anticipates construction of a pipeline  
18 or future use of the well for primary or enhanced recovery,  
19 gas storage, approved disposal or other appropriate uses  
20 related to oil and gas well production; and

21 (4) the applicant satisfies the bonding requirements of  
22 sections 3213 (relating to well registration and  
23 identification) and 3225 (relating to bonding), except that  
24 the department may require additional financial security for  
25 a well on which an alternative fee is being paid in lieu of  
26 bonding under section 3225(d).

27 (b) Monitoring.--The owner or operator of a well granted  
28 inactive status shall be responsible for monitoring the  
29 mechanical integrity of the well to ensure that the requirements  
30 of subsection (a)(1) and (2) are met and shall report the same

1 on an annual basis to the department in the manner and form  
2 prescribed by departmental regulations.

3 (c) (Reserved).

4 (d) Return to active status.--A well granted inactive status  
5 under subsection (a) shall be plugged in accordance with section  
6 3220 (relating to plugging requirements) or returned to active  
7 status within five years of the date inactive status was  
8 granted, unless the owner or operator applies for an extension  
9 of inactive status which may be granted on a year-to-year basis  
10 if the department determines that the owner or operator has  
11 demonstrated ability to continue meeting the requirements of  
12 this section and the owner or operator certifies that the well  
13 will be of future use within a reasonable period of time. An  
14 owner or operator who has been granted inactive status for a  
15 well which is returned to active status prior to expiration of  
16 the five-year period set forth in subsection (a) shall notify  
17 the department that the well has been returned to active status  
18 and shall not be permitted to apply for another automatic five-  
19 year period of inactive status for the well. The owner or  
20 operator may make application to return the well to inactive  
21 status, and the application may be approved on a year-to-year  
22 basis if the department determines that the owner or operator  
23 has demonstrated an ability to continue meeting the requirements  
24 of this section and the owner or operator certifies that the  
25 well will be of future use within a reasonable period of time.  
26 The department shall approve or deny an application to extend a  
27 period of inactive status or to return a well to inactive status  
28 within 60 days of receipt of the application, and the  
29 application shall not be unreasonably denied. If the department  
30 has not completed its review of the application within 60 days,

1 the inactive status shall continue until the department has made  
2 a determination on the request. If the department denies an  
3 application to extend the period of inactive status or to return  
4 a well to inactive status, a well owner or operator aggrieved by  
5 the denial shall have the right to appeal the denial to the  
6 Environmental Hearing Board within 30 days of receipt of the  
7 denial. Upon cause shown by a well owner or operator, the board  
8 may grant a supersedeas under section 4 of the act of July 13,  
9 1988 (P.L.530, No.94), known as the Environmental Hearing Board  
10 Act, so that the well in question may retain inactive status  
11 during the period of the appeal.

12 (e) Revocation of inactive status.--The department may  
13 revoke inactive status and order immediate plugging of a well if  
14 the well is in violation of this chapter or rules or regulations  
15 promulgated under this chapter or if the owner or operator  
16 demonstrates inability to perform obligations under this chapter  
17 or becomes financially insolvent, or upon receipt by the  
18 department of notice of bankruptcy proceedings by the permittee.  
19 § 3215. Well location restrictions.

20 (a) General rule.--Wells may not be drilled within 200 feet,  
21 or, in the case of an unconventional gas well, 500 feet measured  
22 horizontally from the vertical well bore to a building or water  
23 well, existing when the copy of the plat is mailed as required  
24 by section 3211(b) (relating to well permits) without written  
25 consent of the owner of the building or water well.  
26 Unconventional gas wells may not be drilled within 1,000 feet  
27 measured horizontally from the vertical well bore to any  
28 existing water well, surface water intake, reservoir or other  
29 water supply extraction point used by a water purveyor without  
30 the written consent of the water purveyor. If consent is not

1 obtained and the distance restriction would deprive the owner of  
2 the oil and gas rights of the right to produce or share in the  
3 oil or gas underlying the surface tract, the well operator shall  
4 be granted a variance from the distance restriction upon  
5 submission of a plan identifying the additional measures,  
6 facilities or practices as prescribed by the department to be  
7 employed during well site construction, drilling and operations.  
8 The variance, if granted, shall include additional terms and  
9 conditions required by the department to ensure safety and  
10 protection of affected persons and property, including  
11 insurance, bonding, indemnification and technical requirements.

12 (b) Limitation.--

13 (1) No well may be drilled within 100 feet, or, in the  
14 case of an unconventional well, 300 feet measured  
15 horizontally from any solid blue lined stream as identified  
16 on the most current 7 1/2 minute topographic quadrangle map  
17 of the United States Geological Survey.

18 (2) The edge of the disturbed area associated with any  
19 unconventional well must maintain a 100-foot setback from the  
20 edge of any solid blue lined stream as identified on the most  
21 current 7 1/2 minute topographic quadrangle map of the United  
22 States Geological Survey.

23 (3) No unconventional well may be drilled within 300  
24 feet of any wetlands greater than one acre in size, and the  
25 edge of the disturbed area must maintain a 100-foot setback  
26 from the boundary of the wetlands.

27 (4) The department shall waive the distance restrictions  
28 upon submission of a plan identifying additional measures,  
29 facilities or practices to be employed during well site  
30 construction, drilling and operations. The waiver shall impose

1 permit conditions necessary to protect the waters of this  
2 Commonwealth.

3 (c) Impact.--On making a determination on a well permit, the  
4 department shall consider impact of the proposed well on public  
5 resources, including, but not limited to:

6 (1) Publicly owned parks, forests, game lands and  
7 wildlife areas.

8 (2) National or State scenic rivers.

9 (3) National natural landmarks.

10 (4) Habitats of rare and endangered flora and fauna and  
11 other critical communities.

12 (5) Historical and archaeological sites listed on the  
13 Federal or State list of historic places.

14 (d) Consideration of municipality comments.--The department  
15 may consider the comments submitted under section 3212.1  
16 (relating to comments by municipalities) in making a  
17 determination on a well permit. Notwithstanding any other law,  
18 no municipality shall have a right of appeal or other form of  
19 review from the department's decision.

20 (e) Regulation criteria.--The Environmental Quality Board  
21 shall develop by regulation criteria:

22 (1) For the department to utilize for conditioning a  
23 well permit based on its impact to the public resources  
24 identified under subsection (c) and for ensuring optimal  
25 development of oil and gas resources and respecting property  
26 rights of oil and gas owners.

27 (2) For appeal to the Environmental Hearing Board of a  
28 permit containing conditions imposed by the department. The  
29 regulations shall also provide that the department has the  
30 burden of proving by clear and convincing evidence that the



1 conditions were necessary to protect against a probable  
2 harmful impact of the public resources.

3 (3) For processes and procedures for the adjudication of  
4 compensation claims of affected owners, if any conditions or  
5 restrictions imposed by application of the criteria developed  
6 under paragraph (1) deprive the owner of the oil and gas  
7 rights, in part or in whole, of the right to produce or share  
8 in the oil as gas underlying the surface tract or tracts  
9 affected by imposition of any condition or conditions.

10 (f) Floodplains.--

11 (1) No well site may be prepared or well drilled within  
12 any floodplain if the well site will have:

13 (i) a pit or impoundment containing drilling  
14 cuttings, flowback water, produced water or hazardous  
15 materials, chemicals or wastes within the floodplain; or

16 (ii) a tank containing hazardous materials,  
17 chemicals, condensate, wastes, flowback or produced water  
18 within the floodway.

19 (2) A well site shall not be eligible for a floodplain  
20 restriction waiver if the well site will have a tank  
21 containing condensate, flowback or produced water within the  
22 flood fringe unless all the tanks have adequate floodproofing  
23 in accordance with the National Flood Insurance Program  
24 standards and accepted engineering practices.

25 (3) The department may waive restrictions upon  
26 submission of a plan that shall identify the additional  
27 measures, facilities or practices to be employed during well  
28 site construction, drilling and operations. The waiver, if  
29 granted, shall impose permit conditions necessary to protect  
30 the waters of this Commonwealth.

1           (4) Best practices to ensure the protection of the  
2 waters of this Commonwealth must be utilized for the storage  
3 and handling of all water, chemicals, fuels, hazardous  
4 materials or solid waste on a well site located in a  
5 floodplain. The department may request that the well site  
6 operator submit a plan for the storage and handling of  
7 materials for approval by the department and may impose  
8 conditions or amend permits to include permit conditions as  
9 are necessary to protect the environment, public health and  
10 safety.

11           (5) Unless otherwise specified by the department, the  
12 boundary of the floodplain shall be as indicated on maps and  
13 flood insurance studies provided by the Federal Emergency  
14 Management Agency. In an area where no Federal Emergency  
15 Management Agency maps or studies have defined the boundary  
16 of the 100-year frequency floodplain, absent evidence to the  
17 contrary, the floodplain shall extend from:

18           (i) any perennial stream up to 100 feet horizontally  
19 from the top of the bank of the perennial stream; or

20           (ii) from any intermittent stream up to 50 feet  
21 horizontally from the top of the bank of the intermittent  
22 stream.

23           (g) Existing wells and pads.--Subsections (a) and (b) shall  
24 not apply to any of the following:

25           (1) A well for which a valid permit exists as of the  
26 effective date of this subsection.

27           (2) A well permit application submitted after the  
28 effective date of this subsection for a well that will be  
29 located on a wellpad upon which a well has been drilled under  
30 a valid permit that was approved before the effective date of

1 this subsection.

2 § 3215.1. General restrictions.

3 (a) Security fencing.--Security fencing shall be installed  
4 at natural gas compressed stations, dehydration and processing  
5 facilities and other central processing facilities to secure all  
6 permanent buildings, facilities, structures and equipment and to  
7 protect the public. Warning signs shall be placed on the  
8 security fencing providing notice of potential dangers and  
9 providing contact information in case of an emergency.

10 (b) Temporary operations.--The following shall apply to  
11 temporary operations, such as well drilling and completion  
12 operations:

13 (1) Except as provided under paragraph (2), temporary  
14 security fencing shall be installed at the oil or gas well  
15 site to secure all buildings, facilities, structures and  
16 equipment at the site and to protect the public. Warning  
17 signs shall be placed at the well site providing notice of  
18 potential dangers and providing contact information in case  
19 of an emergency.

20 (2) In lieu of security fencing under paragraph (1), a  
21 well owner or operator may establish 24-hour security  
22 staffing at the site and install a security gate at the  
23 entrance of the access road to prevent unauthorized access.

24 (c) Lighting.--Lighting at the well site and at other  
25 buildings, facilities and structures directly related to oil and  
26 gas operations, either temporary or permanent, shall be directed  
27 downward and inward toward the activity, to the extent  
28 practicable, so as to minimize the glare on public roads and  
29 nearby buildings within 100 feet of the well site, building,  
30 facility or structure.

1 (d) Noise regulations.--Well owners and operators shall  
2 comply with all applicable noise regulations promulgated by the  
3 Federal Energy Regulatory Commission, except that the noise  
4 level from permanent oil and gas operations may not exceed 60  
5 dBA at the nearest property line of the tract of land upon which  
6 oil and gas operations are being conducted. Any compressor  
7 situate within 2,500 feet of a dwelling shall be in a soundproof  
8 building such that the noise level immediately outside such  
9 building does not exceed 60 dBA.

10 (e) Atmospheric discharge.--Well owners and operators shall  
11 comply with each applicable environmental law governing the  
12 discharge of gases, vapors and odors into the atmosphere. The  
13 discharge of gases, vapors and odors during oil and gas  
14 operations may not unreasonably interfere with the comfortable  
15 enjoyment of life or property.

16 (f) Applicability.--This section shall only apply to  
17 unconventional natural gas wells.  
18 § 3216. Well site restoration.

19 (a) General rule.--Each oil or gas well owner or operator  
20 shall restore the land surface within the area disturbed in  
21 siting, drilling, completing and producing the well.

22 (b) Plan.--During and after earthmoving or soil disturbing  
23 activities, including, but not limited to, activities related to  
24 siting, drilling, completing, producing and plugging the well,  
25 erosion and sedimentation control measures shall be implemented  
26 in accordance with an erosion and sedimentation control plan  
27 prepared in accordance with the act of June 22, 1937 (P.L.1987,  
28 No.394), known as The Clean Streams Law.

29 (c) Pits, drilling supplies and equipment.--Within nine  
30 months after completion of drilling of a well, the owner or

1 operator shall restore the well site, remove or fill all pits  
2 used to contain produced fluids or industrial wastes and remove  
3 all drilling supplies and equipment not needed for production.  
4 Drilling supplies and equipment not needed for production may be  
5 stored on the well site if express written consent of the  
6 surface landowner is obtained.

7 (d) Items related to production or storage.--Within nine  
8 months after plugging a well, the owner or operator shall remove  
9 all production or storage facilities, supplies and equipment and  
10 restore the well site.

11 (e) Clean Streams Law.--Restoration activities required by  
12 this chapter or in regulations promulgated under this chapter  
13 shall also comply with all applicable provisions of The Clean  
14 Streams Law.

15 (f) Violation of chapter.--Failure to restore the well site  
16 as required in this chapter or regulations promulgated under  
17 this chapter constitutes a violation of this chapter.

18 (g) Extension.--

19 (1) The restoration period may be extended by the  
20 department for an additional period of time not to exceed two  
21 years upon demonstration by the well owner or operator that:

22 (i) the extension will result in less earth  
23 disturbance, increased water reuse or more efficient  
24 development of the resources; or

25 (ii) site restoration cannot be achieved due to  
26 adverse weather conditions or a lack of essential fuel,  
27 equipment or labor.

28 (2) The demonstration under paragraph (1) shall do all  
29 of the following:

30 (i) Include a site restoration plan that shall

1 provide for:

2 (A) the timely removal or fill of all pits used  
3 to contain produced fluids or industrial wastes;

4 (B) the removal of all drilling supplies and  
5 equipment not needed for production;

6 (C) the stabilization of the well site that  
7 shall include interim postconstruction storm water  
8 management best management practices; or

9 (D) other measures to be employed to minimize  
10 accelerated erosion and sedimentation in accordance  
11 with The Clean Streams Law.

12 (ii) Provide for returning the portions of the site  
13 not occupied by production facilities or equipment to  
14 approximate original contours and making them capable of  
15 supporting the uses that existed prior to drilling the  
16 well.

17 (3) The department may condition an extension under this  
18 subsection as is necessary in accordance with The Clean  
19 Streams Law.

20 § 3217. Protection of fresh groundwater and casing  
21 requirements.

22 (a) General rule.--To aid in protection of fresh  
23 groundwater, well operators shall control and dispose of brines  
24 produced from the drilling, alteration or operation of an oil or  
25 gas well in a manner consistent with the act of June 22, 1937  
26 (P.L.1987, No.394), known as The Clean Streams Law, or any rule  
27 or regulation promulgated under The Clean Streams Law.

28 (b) Casing.--To prevent migration of gas or fluids into  
29 sources of fresh groundwater and pollution or diminution of  
30 fresh groundwater, a string or strings of casing shall be run

1 and permanently cemented in each well drilled through the fresh  
2 water-bearing strata to a depth and in a manner prescribed by  
3 regulation by the department.

4 (c) Procedure when coal has been removed.--If a well is  
5 drilled at a location where coal has been removed from one or  
6 more coal seams, the well shall be drilled and cased to prevent  
7 migration of gas or fluids into the seam from which coal has  
8 been removed in a manner prescribed by regulation of the  
9 department. The department and the coal operator, owner or  
10 lessee shall be given at least 72 hours' notice prior to  
11 commencement of work protecting the mine.

12 (d) Procedure when coal has not been removed.--If a well is  
13 drilled at a location where the coal seam has not been removed,  
14 the well shall be drilled to a depth and of a size sufficient to  
15 permit placement of casing, packers in and vents on the hole at  
16 the points and in the manner prescribed by regulation to exclude  
17 gas or fluids from the coal seam, except gas or fluids found  
18 naturally in the seam itself, and to enable monitoring the  
19 integrity of the production casing.

20 § 3218. Protection of water supplies.

21 (a) General rule.--In addition to the requirements of  
22 subsection (c.1), a well operator who affects a public or  
23 private water supply by pollution or diminution shall restore or  
24 replace the affected supply with an alternate source of water  
25 adequate in quantity or quality for the purposes served by the  
26 supply. The department shall ensure the restored or replaced  
27 water supply meets the applicable water quality standards  
28 consistent with the Safe Drinking Water Act (Public Law 93-523,  
29 21 U.S.C. § 349 and 42 U.S.C. §§ 201 and 300f et seq.), the act  
30 of May 1, 1984 (P.L.206, No.43), known as the Pennsylvania Safe

1 Drinking Water Act, and predrilling or alteration water quality  
2 standards as determined by the department. The Environmental  
3 Quality Board shall promulgate regulations necessary to meet the  
4 requirements of this subsection.

5 (b) Pollution or diminution of water supply.--A landowner or  
6 water purveyor suffering pollution or diminution of a water  
7 supply as a result of the drilling, alteration or operation of  
8 an oil or gas well may so notify the department and request that  
9 an investigation be conducted. Within ten days of notification,  
10 the department shall investigate the claim and make a  
11 determination within 45 days following notification. If the  
12 department finds that the pollution or diminution was caused by  
13 drilling, alteration or operation activities or if it presumes  
14 the well operator responsible for pollution under subsection  
15 (c), the department shall issue orders to the well operator  
16 necessary to assure compliance with subsection (a), including  
17 orders requiring temporary replacement of a water supply where  
18 it is determined that pollution or diminution may be of limited  
19 duration.

20 (b.1) Survey.--Upon a written request by any landowner  
21 residing within 5,500 feet but farther than 2,500 feet of a  
22 proposed gas well using hydraulic fracturing, the well permit  
23 applicant shall conduct a predrilling or prealteration survey,  
24 using a facility or laboratory certified by the department, and  
25 send a copy of the survey by certified mail to the requester. A  
26 predrilling or prealteration survey shall provide at a minimum  
27 the testing results for chemicals or chemical compounds known to  
28 be commonly used for hydraulic fracturing, including all major  
29 cations and anions, arsenic, benzene, toluene, ethylbenzene,  
30 xylenes, manganese, dissolved methane, total dissolved solids,



1 chlorides, nutrients and radionuclides.

2 (b.2) Telephone number.--The department shall establish a  
3 single Statewide toll-free telephone number that persons may use  
4 to report cases of water contamination. The Statewide toll-free  
5 telephone number shall be provided in a conspicuous manner in  
6 the notification required under section 201(b) and on the  
7 department's Internet website.

8 (b.3) Responses.--The department shall develop appropriate  
9 administrative responses to calls received on the Statewide  
10 toll-free number for water contamination.

11 (b.4) Website.--The department shall establish a website  
12 that lists the confirmed cases of water supply contamination  
13 that result from hydraulic fracturing.

14 (c) Presumption.--Unless rebutted by a defense established  
15 in subsection (d), it shall be presumed that a well operator is  
16 responsible for pollution of a water supply if:

17 (1) except as set forth in paragraph (2):

18 (i) the water supply is within 1,000 feet of an oil  
19 or gas well; and

20 (ii) the pollution occurred within six months after  
21 completion of drilling or alteration of the oil or gas  
22 well; or

23 (2) in the case of an unconventional well:

24 (i) the water supply is within 2,500 feet of the  
25 unconventional well; and

26 (ii) the pollution occurred within 12 months of the  
27 later of completion, drilling or alteration of the  
28 unconventional well.

29 (d) Defenses.--To rebut the presumption established under  
30 subsection (c), a well operator must affirmatively prove any of

1 the following:

2 (1) except as set forth in paragraph (2):

3 (i) the pollution existed prior to the drilling or  
4 alteration activity as determined by a predrilling or  
5 prealteration survey;

6 (ii) the landowner or water purveyor refused to  
7 allow the operator access to conduct a predrilling or  
8 prealteration survey;

9 (iii) the water supply is not within 1,000 feet of  
10 the well;

11 (iv) the pollution occurred more than six months  
12 after completion of drilling or alteration activities;  
13 and

14 (v) the pollution occurred as the result of a cause  
15 other than the drilling or alteration activity; or

16 (2) in the case of an unconventional well:

17 (i) the pollution existed prior to the drilling or  
18 alteration activity as determined by a predrilling or  
19 prealteration survey;

20 (ii) the landowner or water purveyor refused to  
21 allow the operator access to conduct a predrilling or  
22 prealteration survey;

23 (iii) the water supply is not within 2,500 feet of  
24 the well; and

25 (iv) the pollution occurred more than 12 months  
26 after completion of drilling or alteration activities.

27 (e) Independent certified laboratory.--An operator electing  
28 to preserve a defense under subsection (d) (1) or (2) shall  
29 retain an independent certified laboratory to conduct a  
30 predrilling or prealteration survey of the water supply. A copy

1 of survey results shall be submitted to the department and the  
2 landowner or water purveyor in the manner prescribed by the  
3 department.

4 (e.1) Notice.--An operator must provide written notice to  
5 the landowner or water purveyor indicating that the presumption  
6 established under subsection (c) may be void if the landowner or  
7 water purveyor refused to allow the operator access to conduct a  
8 predrilling or prealteration survey.

9 (f) Other remedies preserved.--Nothing in this section shall  
10 prevent a landowner or water purveyor claiming pollution or  
11 diminution of a water supply from seeking any other remedy at  
12 law or in equity.

13 § 3219. Use of safety devices.

14 Any person engaged in drilling an oil or gas well shall equip  
15 it with casings of sufficient strength, and other safety devices  
16 as are necessary, in the manner prescribed by regulation of the  
17 department, and shall use every effort and endeavor effectively  
18 to prevent blowouts, explosions and fires.

19 § 3219.1. Well control emergency response.

20 (a) Contracts.--The department may enter into contracts with  
21 well control specialists in order to provide adequate emergency  
22 response services in the event of a well control emergency.

23 (b) Civil immunity.--Except as set forth in subsection (c),  
24 a well control specialist with which the department has entered  
25 into a contract under subsection (a) shall be immune from civil  
26 liability for actions taken in good faith to carry out its  
27 contractual obligations.

28 (c) Nonapplicability.--Subsection (b) shall not apply to  
29 damage arising from any of the following:

30 (1) Breach of the contract under subsection (a).

1           (2) An intentional tort.

2           (3) Gross negligence.

3   § 3220. Plugging requirements.

4       (a) General rule.--Upon abandoning a well, the owner or  
5 operator shall plug it in the manner prescribed by regulation of  
6 the department to stop vertical flow of fluids or gas within the  
7 well bore, unless the department has granted inactive status for  
8 the well or it has been approved by the department as an orphan  
9 well. If the department determines that a prior owner or  
10 operator received economic benefit, other than economic benefit  
11 derived only as a landowner or from a royalty interest, after  
12 April 18, 1979, from an orphan well or an unregistered well, the  
13 owner or operator shall be responsible for plugging the well. In  
14 the case of a gas well penetrating a workable coal seam which  
15 was drilled prior to January 30, 1956, or which was permitted  
16 after that date but not plugged in accordance with this chapter,  
17 if the owner or operator or a coal operator or an agent proposes  
18 to plug the well to allow mining through it, the gas well shall  
19 be cleaned to a depth of at least 200 feet below the coal seam  
20 through which mining is proposed and, unless impracticable, to a  
21 point 200 feet below the deepest mineable coal seam. The gas  
22 well shall be plugged from that depth in accordance with section  
23 13 of the act of December 18, 1984 (P.L.1069, No.214), known as  
24 the Coal and Gas Resource Coordination Act, and the regulations  
25 of the department.

26       (b) Areas underlain by coal.--Prior to the plugging and  
27 abandonment of a well in an area underlain by a workable coal  
28 seam, the well operator or owner shall notify the department and  
29 the coal operator, lessee or owner and submit a plat, on a form  
30 to be furnished by the department, showing the location of the

1 well and fixing the date and time plugging will commence, which  
2 shall be not less than three working days, nor more than 30  
3 days, after the notice is received, to permit representatives of  
4 the persons notified to be present at the plugging. Notice and  
5 the right to be present may be waived by the department and the  
6 coal operator, lessee or owner, but waiver by the coal operator,  
7 lessee or owner shall be in writing and a copy shall be attached  
8 to the notice of abandonment filed with the department under  
9 this section. Whether or not representatives attend, if the well  
10 operator has fully complied with this section, the well operator  
11 may proceed, at the time fixed, to plug the well in the manner  
12 prescribed by regulation of the department. When plugging has  
13 been completed, a certificate shall be prepared and signed, on a  
14 form to be furnished by the department, by two experienced and  
15 qualified people who participated in the work setting forth the  
16 time and manner in which the well was plugged. One copy of the  
17 certificate shall be mailed to each coal operator, lessee or  
18 owner to whom notice was given by certified mail and another  
19 shall be mailed to the department.

20 (c) Abandoned wells.--Prior to abandonment of a well, except  
21 an uncompleted bore hole plugged immediately upon suspension of  
22 drilling in an area not underlain by a workable coal seam, the  
23 well operator shall notify the department of the intention to  
24 plug and abandon the well and submit a plat, on a form to be  
25 furnished by the department, showing the location of the well  
26 and fixing the date and time at which plugging will commence,  
27 which shall be not less than three working days, nor more than  
28 30 days, after the notice is received, to permit a department  
29 representative to be present at the plugging. The notice or  
30 waiting period may be verbally waived by the department. In

1 noncoal areas where more than one well has been drilled as part  
2 of the same development project and the wells are now to be  
3 plugged, the department shall be given three working days'  
4 notice prior to plugging the first well of the project, subject  
5 to waiver of notice described in subsection (b). In the plugging  
6 of subsequent wells, no additional notice shall be required if  
7 plugging on the project is continuous. If plugging of subsequent  
8 wells is delayed for any reason, notice shall be given to the  
9 department of continuation of the project. Whether or not a  
10 representative attends, if the well operator has fully complied  
11 with this section, the well operator may proceed, at the time  
12 fixed, to plug the well in the manner prescribed by regulation  
13 of the department. When plugging has been completed, a  
14 certificate shall be prepared, on a form to be furnished by the  
15 department, by two experienced and qualified people who  
16 participated in the work setting forth the time and manner in  
17 which the well was plugged. A copy of the certificate shall be  
18 mailed to the department.

19 (d) Wells abandoned upon completion of drilling.--If a well  
20 is to be abandoned immediately after completion of drilling, the  
21 well operator shall give at least 24 hours' notice by telephone,  
22 confirmed by certified mail, to the department and to the coal  
23 operator, lessee or owner, if any, fixing the date and time when  
24 plugging will commence. Notice and the right to be present may  
25 be waived by the department and the coal operator, lessee or  
26 owner, if any. Whether or not representatives of the department  
27 or coal operator, lessee or owner, if any, attend, if the well  
28 operator has fully complied with the requirements of this  
29 section, the well operator may proceed, at the time fixed, to  
30 plug the well in the manner provided by regulation of the

1 department. The well operator shall prepare the certificate of  
2 plugging and mail copies of the same as provided in subsection  
3 (b).

4 (e) Orphan wells.--If a well is an orphan well or abandoned  
5 without plugging, or if a well is in operation but not  
6 registered under section 3213 (relating to well registration and  
7 identification), the department may enter upon the well site and  
8 plug the well and to sell equipment, casing and pipe at the site  
9 which may have been used in production of the well in order to  
10 recover the costs of plugging. The department shall make an  
11 effort to determine ownership of a well which is in operation  
12 but has not been registered and provide written notice to the  
13 owner of pending action under this subsection. If the department  
14 cannot determine ownership within 30 days, it may proceed under  
15 this subsection. Costs of plugging shall have priority over all  
16 liens on equipment, casing and pipe, and the sale shall be free  
17 and clear of those liens to the extent that the cost of plugging  
18 exceeds the sale price. If the amount obtained for casing and  
19 pipe salvaged at the site is inadequate to pay for plugging, the  
20 owner or operator of the abandoned or unregistered well shall be  
21 liable for the additional costs.

22 (f) Definition.--For purposes of this section, the term  
23 "owner" does not include the owner or possessor of surface real  
24 property, on which an abandoned well is located, who did not  
25 participate or incur costs in and had no right of control over  
26 the drilling or extraction operation of the abandoned well.

27 § 3221. Alternative methods.

28 A well operator may request permission to use a method or  
29 material other than those required by this chapter for casing,  
30 plugging or equipping a well in an application to the department

1 which describes the proposed alternative in reasonable detail  
2 and indicates the manner in which it will accomplish the goals  
3 of this chapter. Notice of filing of the application shall be  
4 given by the well operator by certified mail to any affected  
5 coal operators, who may, within 15 days after the notice, file  
6 objections to the proposed alternative method or material. If no  
7 timely objections are filed or raised by the department, the  
8 department shall determine whether to allow use of the proposed  
9 alternative method or material.

10 § 3222. Well reporting requirements.

11 (a) General rule.--Except as provided in subsection (a.1),  
12 each well operator shall file with the department, on a form  
13 provided by the department, an annual report specifying the  
14 amount of production, on the most well-specific basis available,  
15 along with the status of each well, except that in subsequent  
16 years only changes in status must be reported. The Commonwealth  
17 may utilize reported information in enforcement proceedings, in  
18 making designations or determinations under section 1927-A of  
19 the act of April 9, 1929 (P.L.177, No.175), known as The  
20 Administrative Code of 1929, or in aggregate form for  
21 statistical purposes.

22 (a.1) Marcellus Shale formation wells.--Each operator of an  
23 unconventional well shall file with the department, on a form  
24 provided by the department, a semiannual report specifying the  
25 amount of production on the most well-specific basis available.  
26 The initial report under this subsection shall be filed on or  
27 before August 15, 2010, and shall include production data from  
28 the preceding calendar year and specify the status of each well.  
29 In subsequent reports, only changes in status must be reported.  
30 Subsequent semiannual reports shall be filed with the department



1 on or before February 15 and August 15 of each year and shall  
2 include production data from the preceding reporting period. The  
3 Commonwealth may utilize reported information in enforcement  
4 proceedings, in making designations or determinations under  
5 section 1927-A of The Administrative Code of 1929 or in  
6 aggregate form for statistical purposes. Beginning November 1,  
7 2010, the department shall make the reports available on its  
8 publicly accessible Internet website. Costs incurred by the  
9 department to comply with the requirements of this subsection  
10 shall be paid out of the fees collected under section 3211(d)  
11 (relating to well permits).

12 (b) Collection of data.--

13 (1) Well operators shall maintain a record of each well  
14 drilled or altered.

15 (2) A record containing the information required by the  
16 department shall be filed within 30 days of cessation of  
17 drilling of each well.

18 (3) A completion report containing any additional  
19 required information shall be filed within 30 days after  
20 completing the well and shall be kept on file by the  
21 department.

22 (4) (i) The completion report shall include a  
23 stimulation record. At a minimum, the stimulation record  
24 shall contain pump rates, pressures, total volume used to  
25 stimulate the well, a list of hazardous and other  
26 chemicals used to stimulate the well, volume of water  
27 used, identification of water sources used under a  
28 department-approved water management plan and depth at  
29 which potable aquifers are encountered during drilling.  
30 The well operator may designate specific portions of the

1 stimulation record as containing a trade secret or  
2 confidential proprietary information. The department  
3 shall prevent disclosure of designated confidential  
4 information to the extent permitted under the act of  
5 February 14, 2008 (P.L.6, No.3), known as the Right-to-  
6 Know Law.

7 (ii) The completion report shall identify:

8 (A) whether methane was encountered in other  
9 than a target formation; and

10 (B) the country of origin and manufacture of the  
11 steel products used in the construction of the well.

12 (iii) The completion report shall be kept on file by  
13 the department and posted on the department's publicly  
14 accessible Internet website.

15 (5) Upon request of the department, the well operator  
16 shall, within 90 days of completion or recompletion of  
17 drilling, submit a copy of any electrical, radioactive or  
18 other standard industry logs which have been run. No  
19 information under this paragraph shall be required unless the  
20 well operator has compiled the information in the ordinary  
21 course of business.

22 (6) Upon request by the department within one year, the  
23 well operator shall file a copy of drill stem test charts,  
24 formation water analysis, porosity, permeability or fluid  
25 saturation measurements, core analysis and lithologic log or  
26 sample description or other similar data as compiled. No  
27 information under this paragraph shall be required unless the  
28 well operator had it compiled in the ordinary course of  
29 business, and interpretation of data under this paragraph is  
30 not required to be filed.

1 (c) Drill cuttings and core samples.--Upon notification by  
2 the department prior to commencement of drilling, the well  
3 operator shall collect any additional data specified by the  
4 department, including representative drill cuttings and samples  
5 from cores taken and any other geological information that the  
6 operator reasonably can compile. Interpretation of the data is  
7 not required to be filed.

8 (d) Retention and filing of data.--Data required under  
9 subsection (b) and drill cuttings required under subsection (c)  
10 shall be retained by the well operator and filed with the  
11 department no more than three years after completion of the  
12 well. Upon request, the department shall extend the deadline up  
13 to five years from the date of completion of the well. The  
14 department shall be entitled to utilize information collected  
15 under this subsection in enforcement proceedings, in making  
16 designations or determinations under section 1927-A of The  
17 Administrative Code of 1929 and in aggregate form for  
18 statistical purposes.

19 § 3223. Notification and effect of well transfer.

20 The owner or operator of a well shall notify the department  
21 in writing within 30 days, in a form directed by regulation, of  
22 sale, assignment, transfer, conveyance or exchange by or to the  
23 owner of the well. A transfer shall not relieve the well owner  
24 or operator of an obligation accrued under this chapter, nor  
25 shall it relieve the owner or operator of an obligation to plug  
26 the well until the requirements of section 3225 (relating to  
27 bonding) have been met, at which time the transferring owner or  
28 operator shall be relieved from all obligations under this  
29 chapter, including the obligation to plug the well.

30 § 3224. Coal operator responsibilities.

1     (a) General rule.--At any time prior to removing coal or  
2 other underground materials from, or extending the workings in,  
3 a coal mine within 500 feet of an oil or gas well of which the  
4 coal operator has knowledge, or within 500 feet of an approved  
5 well location of which the coal operator has knowledge, the coal  
6 operator, by certified mail, shall forward to or file with the  
7 well operator and the department a copy of the relevant part of  
8 all maps and plans which it is presently required by law to  
9 prepare and file with the department, showing the pillar which  
10 the coal operator proposes to leave in place around each oil or  
11 gas well in the projected workings. Thereafter, the coal  
12 operator may proceed with mining operations in the manner  
13 projected on the maps and plans, but the operator may not remove  
14 coal or cut a passageway within 150 feet of the well or approved  
15 well location without written approval under this section. If,  
16 in the opinion of the well operator or the department, the plan  
17 indicates that the proposed pillar is inadequate to protect  
18 either the integrity of the well or public health and safety,  
19 the affected well operator shall attempt to reach an agreement  
20 with the coal operator on a suitable pillar, subject to approval  
21 of the department. Upon failure to agree, the well operator may,  
22 within ten days after receipt of the proposed plan under this  
23 section, file objections under section 3251 (relating to  
24 conferences), indicating the size of the pillar to be left as to  
25 each well. If objections are not timely filed and the department  
26 has none, the department shall grant approval, reciting that  
27 maps and plans have been filed, no objections have been made  
28 thereto and the pillar proposed to be left for each well is  
29 approved in the manner as projected.

30     (b) Objections.--If an objection is filed by the well

1 operator or raised by the department, the department shall order  
2 that a conference be held under section 3251 within ten days of  
3 the filing of objections. At the conference, the coal operator  
4 and the person who has objected shall attempt to agree on a  
5 proposed plan, showing the pillar to be left around each well,  
6 which will satisfy the objections and receive department  
7 approval. If an agreement is reached, the department shall grant  
8 approval to the coal operator, reciting that a plan has been  
9 filed and the pillar to be left for each well is approved  
10 pursuant to the agreement. If an agreement is not reached on a  
11 plan showing the pillar to be left with respect to a well, the  
12 department, by appropriate order, shall determine the pillar to  
13 be left with respect to the well. In a proceeding under this  
14 section, the department shall follow as nearly as is possible  
15 the original plan filed by the coal operator. The department  
16 shall not require the coal operator to leave a pillar in excess  
17 of 100 feet in radius, except that the department may require a  
18 pillar of up to 150 feet in radius if the existence of unusual  
19 conditions is established. Pillars determined by the department  
20 shall be shown on maps or plans on file with the department as  
21 provided in subsection (a), and the department shall approve the  
22 pillar to be left for each well.

23 (c) Pillars of reduced size.--Application may be made at any  
24 time to the department by the coal operator to leave a pillar of  
25 a size smaller than shown on the plan approved or determined by  
26 the department under this section. If an application is filed,  
27 the department shall:

28 (1) follow the appropriate procedure under subsection

29 (a) or (b);

30 (2) by appropriate order, determine a plan involving a

1 pillar of a smaller size as to any well covered by the  
2 application; and

3 (3) grant approval for the pillar to be left with  
4 respect to each well.

5 (d) Violation.--No coal operator, without written approval  
6 of the department after notice and opportunity for a hearing  
7 under this section, shall remove coal or cut a passageway so as  
8 to leave a pillar of smaller size, with respect to an oil or gas  
9 well, than that approved by the department under this chapter.

10 (e) Limitation.--With regard to a coal pillar required by  
11 law to be left around a well drilled prior to April 18, 1985,  
12 nothing in this chapter shall be construed to:

13 (1) require a well operator to pay for the coal pillar;

14 (2) affect a right which a coal operator may have had  
15 prior to April 18, 1985, to obtain payment for the coal  
16 pillar; or

17 (3) affect a duty or right which a storage operator or  
18 landowner may have had prior to April 18, 1985, to pay or not  
19 pay for the coal pillar.

20 (f) Mining through plugged wells.--A coal operator who  
21 intends to mine through a plugged oil or gas well or otherwise  
22 completely remove any pillar from around that well shall file a  
23 plan under subsection (a) which shall be subject to all of the  
24 provisions of this section. No coal operator may mine through a  
25 plugged oil or gas well of which he has knowledge until written  
26 approval has been granted by the department in accordance with  
27 this section. The Bureau of Deep Mine Safety in the department  
28 shall have the authority to establish conditions under which the  
29 department may approve a coal operator's plan to mine through a  
30 plugged oil or gas well.

1 § 3225. Bonding.

2 (a) General rule.--The following shall apply:

3 (1) Except as provided in subsection (d), upon filing an  
4 application for a well permit, and before continuing to  
5 operate an oil or gas well, the owner or operator of the well  
6 shall file with the department a bond covering the well and  
7 well site on a form to be prescribed and furnished by the  
8 department. A bond filed with an application for a well  
9 permit shall be payable to the Commonwealth and conditioned  
10 upon the operator's faithful performance of all drilling,  
11 water supply replacement, restoration and plugging  
12 requirements of this chapter. A bond for a well in existence  
13 on April 18, 1985, shall be payable to the Commonwealth and  
14 conditioned upon the operator's faithful performance of all  
15 water supply replacement, restoration and plugging  
16 requirements of this chapter. The amount of the bond required  
17 shall be in the following amounts and may be adjusted by the  
18 Environmental Quality Board every two years to reflect the  
19 projected costs to the Commonwealth of plugging the well:

20 (i) For wells with a total well bore length less  
21 than 6,000 feet:

22 (A) For operating up to 50 wells, \$4,000 per  
23 well; but no bond may be required under this clause  
24 in excess of \$35,000.

25 (B) For operating 51 to 150 wells, \$35,000 plus  
26 \$4,000 per well for each well in excess of 50 wells;  
27 but no bond may be required under this clause in  
28 excess of \$60,000.

29 (C) For operating 151 to 250 wells, \$60,000 plus  
30 \$4,000 per well for each well in excess of 150 wells;

1 but no bond may be required under this clause in  
2 excess of \$100,000.

3 (D) For operating more than 250 wells, \$100,000  
4 plus \$4,000 per well for each well in excess of 250  
5 wells; but no bond may be required under this clause  
6 in excess of \$250,000.

7 (ii) For wells with a total well bore length greater  
8 than 6,000 feet:

9 (A) For operating up to 25 wells, \$10,000 per  
10 well; but no bond may be required under this clause  
11 in excess of \$60,000.

12 (B) For operating 26 to 50 wells, \$60,000 plus  
13 \$10,000 per well for each well in excess of 25 wells;  
14 but no bond may be required under this clause in  
15 excess of \$120,000.

16 (C) For operating 51 to 150 wells, \$120,000 plus  
17 \$10,000 per well for each well in excess of 50 wells;  
18 but no bond may be required under this clause in  
19 excess of \$180,000.

20 (D) For operating more than 150 wells, \$180,000  
21 plus \$10,000 per well for each well in excess of 150  
22 wells; but no bond may be required under this clause  
23 in excess of \$250,000.

24 (2) In lieu of individual bonds for each well, an owner  
25 or operator may file a blanket bond for the applicable amount  
26 under paragraph (1), on a form prepared by the department,  
27 covering all of its wells in this Commonwealth, as enumerated  
28 on the bond form.

29 (3) Liability under the bond shall continue until the  
30 well has been properly plugged in accordance with this



1 chapter and for a period of one year after filing of the  
2 certificate of plugging with the department. Each bond shall  
3 be executed by the operator and a corporate surety licensed  
4 to do business in this Commonwealth and approved by the  
5 secretary. In lieu of a corporate surety, the operator may  
6 deposit with the department:

7 (i) cash;

8 (ii) certificates of deposit or automatically  
9 renewable irrevocable letters of credit, from financial  
10 institutions chartered or authorized to do business in  
11 this Commonwealth and regulated and examined by the  
12 Commonwealth or a Federal agency, which may be terminated  
13 at the end of a term only upon 90 days' prior written  
14 notice by the financial institution to the permittee and  
15 the department;

16 (iii) negotiable bonds of the United States  
17 Government or the Commonwealth, the Pennsylvania Turnpike  
18 Commission, the General State Authority, the State Public  
19 School Building Authority or any municipality within the  
20 Commonwealth; or

21 (iv) United States Treasury Bonds issued at a  
22 discount without a regular schedule of interest payments  
23 to maturity, otherwise known as Zero Coupon Bonds, having  
24 a maturity date of not more than ten years after the date  
25 of purchase and at the maturity date having a value of  
26 not less than the applicable amount under paragraph (1).  
27 The cash deposit, certificate of deposit, amount of the  
28 irrevocable letter of credit or market value of the  
29 securities shall be equal at least to the sum of the  
30 bond.

1       (4) The secretary shall, upon receipt of a deposit of  
2 cash, letters of credit or negotiable bonds, immediately  
3 place the same with the State Treasurer, whose duty it shall  
4 be to receive and hold the same in the name of the  
5 Commonwealth, in trust, for the purpose for which the deposit  
6 is made.

7       (5) The State Treasurer shall at all times be  
8 responsible for custody and safekeeping of deposits. The  
9 operator making the deposit shall be entitled from time to  
10 time to demand and receive from the State Treasurer, on the  
11 written order of the secretary, the whole or any portion of  
12 collateral deposited, upon depositing with the State  
13 Treasurer, in lieu of that collateral, other collateral of  
14 classes specified in this section having a market value at  
15 least equal to the sum of the bond, and also to demand,  
16 receive and recover the interest and income from the  
17 negotiable bonds as they become due and payable.

18       (6) If negotiable bonds on deposit under this subsection  
19 mature or are called, the State Treasurer, at the request of  
20 the owner of the bonds, shall convert them into other  
21 negotiable bonds, of classes specified in this section,  
22 designated by the owner.

23       (7) If notice of intent to terminate a letter of credit  
24 is given, the department shall give the operator 30 days'  
25 written notice to replace the letter of credit with other  
26 acceptable bond guarantees as provided in this section. If  
27 the owner or operator fails to timely replace the letter of  
28 credit, the department shall draw upon and convert the letter  
29 of credit into cash and hold it as a collateral bond  
30 guarantee.

1 (b) Release.--No bond shall be fully released until the  
2 requirements of subsection (a) and section 3223 (relating to  
3 notification and effect of well transfer) have been fully met.  
4 Upon release of bonds and collateral under this section, the  
5 State Treasurer shall immediately return to the owner the  
6 specified amount of cash or securities.

7 (c) Noncompliance.--If a well owner or operator fails or  
8 refuses to comply with subsection (a), regulations promulgated  
9 under this chapter or conditions of a permit relating to this  
10 chapter, the department may declare the bond forfeited and shall  
11 certify the same to the Attorney General, who shall proceed to  
12 enforce and collect the full amount of the bond and, if the well  
13 owner or operator has deposited cash or securities as collateral  
14 in lieu of a corporate surety, the department shall declare the  
15 collateral forfeited and direct the State Treasurer to pay the  
16 full amount of the funds into the Well Plugging Restricted  
17 Revenue Account or to sell the security to the extent forfeited  
18 and pay the proceeds into the Well Plugging Restricted Revenue  
19 Account. If a corporate surety or financial institution fails to  
20 pay a forfeited bond promptly and in full, the corporate surety  
21 or financial institution shall be disqualified from writing  
22 further bonds under this chapter or any other environmental law  
23 administered by the department. A person aggrieved by reason of  
24 forfeiting the bond or converting collateral, as provided in  
25 this section, shall have a right to appeal to the Environmental  
26 Hearing Board in the manner provided by law. Upon forfeiture of  
27 a blanket bond for a violation occurring at one or more well  
28 sites, the person whose bond is forfeited shall, within ten days  
29 of the forfeiture, submit a replacement bond to cover all other  
30 wells of which the person is an owner or operator. Failure to

1 submit the replacement bond constitutes a violation of this  
2 section as to each of the wells owned or operated by the person.

3 (d) Alternatives to certain bonds.--The following shall  
4 apply:

5 (1) An operator of not more than 200 wells who cannot  
6 obtain a bond for a well drilled prior to April 18, 1985, as  
7 required under subsection (a), due to inability to  
8 demonstrate sufficient financial resources may, in lieu of  
9 the bond:

10 (i) Submit to the department a fee in the amount of  
11 \$50 per well, a blanket fee of \$500 for ten to 20 wells  
12 or a blanket fee of \$1,000 for more than 20 wells, which  
13 shall be a nonrefundable fee paid each year that the  
14 operator has not filed a bond with the department. All  
15 fees collected in lieu of a bond under this subsection  
16 shall be used for the purposes authorized by this  
17 chapter. The Environmental Quality Board shall have the  
18 power, by regulation, to increase the amount of the fees  
19 established under this subsection.

20 (ii) Make phased deposits of collateral to fully  
21 collateralize the bond, subject to the following:

22 (A) Payment shall be based on the number of  
23 wells owned or operated. The operator shall make an  
24 initial deposit and make annual deposits in  
25 accordance with the schedule in clause (B). Interest  
26 accumulated by the collateral shall become a part of  
27 the bond until the collateral plus accumulated  
28 interest equals the amount of the required bond. The  
29 collateral shall be deposited, in trust, with the  
30 State Treasurer as provided in this subsection or

1 with a bank selected by the department which shall  
2 act as trustee for the benefit of the Commonwealth to  
3 guarantee the operator's compliance with the  
4 drilling, water supply replacement, restoration and  
5 plugging requirements of this chapter. The operator  
6 shall be required to pay all costs of the trust.

7 (B) An operator of up to ten existing wells who  
8 does not intend to operate additional wells shall  
9 deposit \$250 per well and shall, thereafter, annually  
10 deposit \$50 per well until the obligations of this  
11 section are fully met. An operator of 11 to 25 wells  
12 or an operator of up to ten wells who applies for one  
13 or more permits for additional wells shall deposit  
14 \$2,000 and shall, thereafter, annually deposit \$1,150  
15 plus \$150 for each additional well to be permitted  
16 that year until the obligations of this section are  
17 fully met. An operator of 26 to 50 wells shall  
18 deposit \$3,000 and shall, thereafter, annually  
19 deposit \$1,300 plus \$400 for each additional well to  
20 be permitted that year until the obligations of this  
21 section are fully met. An operator of 51 to 100 wells  
22 shall deposit \$4,000 and shall, thereafter, annually  
23 deposit \$1,500 plus \$400 for each additional well to  
24 be permitted that year until the obligations of this  
25 section are fully met. Operators of 101 to 200 wells  
26 shall deposit \$8,000 and shall, thereafter, annually  
27 deposit \$1,600 plus \$1,000 for each additional well  
28 to be permitted that year until the obligations of  
29 this section are fully met. Operators of more than  
30 200 wells shall fully bond their wells immediately.

1           (C) The department shall reduce the amount of  
2           phased collateral payments or the period of time over  
3           which phased collateral payments shall be made on  
4           behalf of owners or operators who, prior to August 1,  
5           1992, have paid a fee in lieu of bond under  
6           subparagraph (i), and who, by August 1, 1993, choose  
7           to enter the phased collateral program under this  
8           subparagraph rather than continue to make payments in  
9           lieu of bond. Payments made prior to August 1, 1992,  
10           in lieu of bond shall not be credited in any other  
11           manner, and the department shall not be required to  
12           refund the fees. The Environmental Quality Board, by  
13           regulation, may change the annual deposits  
14           established under clause (B) if necessary to  
15           accommodate a change in the amount of the bond  
16           required under this section.

17           (2) An operator may continue to pay a fee in lieu of  
18           bond or make phased deposits of collateral to fully  
19           collateralize the bond so long as the operator does not miss  
20           a payment under this subsection and remains in compliance  
21           with this chapter. If an operator misses a payment under this  
22           subsection, the operator shall immediately:

23                   (i) submit the appropriate bond amount in full; or

24                   (ii) cease all operations and plug all wells.

25           (d.1) Individuals.--The following shall apply:

26                   (1) An individual who is unable to obtain a bond to  
27                   drill new wells due to inability to demonstrate financial  
28                   resources may meet the collateral bond requirements of  
29                   subsection (a) by making phased deposits of collateral to  
30                   fully collateralize the bond. The individual shall be limited

1 to drilling ten new wells per calendar year and, for each  
2 well to be drilled, deposit \$500 and make an annual deposit  
3 of 10% of the remaining bond amount for a period of ten  
4 years. Interest accumulated shall become a part of the bond  
5 until the collateral plus accumulated interest equals the  
6 amount of the required bond. The collateral shall be  
7 deposited in trust with the State Treasurer under subsection  
8 (a) or with a bank selected by the department which shall act  
9 as trustee for the benefit of the Commonwealth to guarantee  
10 the individual's compliance with the drilling, water supply  
11 replacement, restoration and plugging requirements of this  
12 chapter. The individual shall pay all costs of the trust.

13 (2) Individuals may continue to use phased collateral to  
14 obtain permits if they have not missed a payment for a well  
15 drilled under this provision and remain in compliance with  
16 this chapter. If an individual misses a payment, the  
17 individual shall:

18 (i) immediately submit the appropriate bond amount  
19 in full; or

20 (ii) cease all operations and plug all wells.

21 (3) For purposes of this subsection, an "individual"  
22 means a natural person doing business under his own name.

23 (e) Reservation of remedies.--All remedies violating this  
24 chapter, regulations adopted under this chapter and conditions  
25 of permits are expressly preserved. Nothing in this section  
26 shall be construed as an exclusive penalty or remedy for  
27 violations of law. No action taken under this section shall  
28 waive or impair any other remedy or penalty provided in law.

29 (f) Change of law.--Owners or operators who have failed to  
30 meet the requirements of this section prior to August 1, 1992,

1 shall not be required to make payments under this section on a  
2 retroactive basis as a condition of obtaining a permit under  
3 this chapter, nor shall the failure be deemed a violation of  
4 this chapter.

5 § 3226. Oil and Gas Technical Advisory Board.

6 (a) Creation of board.--The Oil and Gas Technical Advisory  
7 Board is created, consisting of the following members, all of  
8 whom shall be chosen by the Governor and shall be residents of  
9 this Commonwealth:

10 (1) Three individuals, each of whom shall be:

11 (i) a petroleum engineer;

12 (ii) a petroleum geologist; or

13 (iii) an experienced driller representative of the  
14 oil and gas industry with three years of experience in  
15 this Commonwealth.

16 (2) One mining engineer from the coal industry with  
17 three years of experience in this Commonwealth.

18 (3) One geologist or petroleum engineer with three years  
19 of experience in this Commonwealth, who shall be chosen from  
20 a list of three names submitted by the Citizens Advisory  
21 Council to the Governor and who shall sit as a representative  
22 of the public interest.

23 (b) Reimbursement.--Board members shall not receive a salary  
24 but shall be reimbursed for all necessary expenses incurred in  
25 the performance of their duties.

26 (c) Majority vote.--All actions of the board shall be by  
27 majority vote. The board shall meet as called by the secretary,  
28 but not less than semiannually, to carry out its duties under  
29 this chapter. The board shall select a chairman and other  
30 officers deemed appropriate.



1 (d) Consultation.--The department shall consult with the  
2 board in the formulation, drafting and presentation stages of  
3 all regulations of a technical nature promulgated under this  
4 chapter. The board shall be given a reasonable opportunity to  
5 review and comment on all regulations of a technical nature  
6 prior to submission to the Environmental Quality Board for  
7 initial consideration. The written report of the board shall be  
8 presented to the Environmental Quality Board with any regulatory  
9 proposal. The chairman of the board shall be invited to  
10 participate in the presentation of all regulations of a  
11 technical nature before the Environmental Quality Board to the  
12 extent allowed by procedures of the Environmental Quality Board.  
13 Nothing herein shall preclude any member of the board from  
14 filing a petition for rulemaking with the Environmental Quality  
15 Board in accordance with procedures established by the  
16 Environmental Quality Board.

17 § 3227. Air contaminant emissions.

18 (a) Protocols for air contaminant emissions.--No later than  
19 three months after the effective date of this chapter, the  
20 department shall publish protocols for the detection,  
21 quantification and reporting of air contaminant emissions from  
22 unconventional gas production processes including wellhead  
23 activities and the storage of unconventional gas prior to  
24 processing.

25 (b) Report on air contaminant emissions.--No later than nine  
26 months after the effective date of this chapter, the department  
27 shall publish for public comment a draft report quantifying  
28 through measurements and calculations the total air contaminant  
29 emissions in this Commonwealth from unconventional gas  
30 development processes including wellhead activities and the

1 storage of unconventional gas prior to processing. The  
2 department shall publish the final report no later than one year  
3 after the effective date of this chapter. The department shall  
4 publish a revised report every five years thereafter.

5 (c) Use of best available scientific principles.--The  
6 department shall use best available scientific principles in  
7 developing the protocols and reports required by this section.

8 SUBCHAPTER C

9 UNDERGROUND GAS STORAGE

10 Sec.

11 3231. Reporting requirements for gas storage operations.

12 3232. Reporting requirements for coal mining operations.

13 3233. General gas storage reservoir operations.

14 3234. Gas storage reservoir operations in coal areas.

15 3235. Inspection of facilities and records.

16 3236. Reliance on maps and burden of proof.

17 3237. Exemptions and prohibitions.

18 § 3231. Reporting requirements for gas storage operations.

19 (a) General duties.--The following shall apply:

20 (1) A person injecting into or storing gas in a storage  
21 reservoir underlying or within 3,000 linear feet of a coal  
22 mine operating in a coal seam that extends over the storage  
23 reservoir or reservoir protective area shall, within 60 days,  
24 file with the department a copy of a map and certain data in  
25 the form and manner provided in this subsection or as  
26 otherwise prescribed by regulation of the department.

27 (2) A person injecting gas into or storing gas in a  
28 storage reservoir which is not under or within 3,000 linear  
29 feet of, but less than 10,000 linear feet from, a coal mine  
30 operating in a coal seam that extends over the storage

1 reservoir or reservoir protective area shall file the map and  
2 data within 60 days or a longer period set by departmental  
3 regulation.

4 (3) A person proposing to inject or store gas in a  
5 storage reservoir located as defined in paragraph (1) or (2)  
6 shall file the appropriate required map and data with the  
7 department not less than six months prior to starting the  
8 actual injection or storage.

9 (4) A map required by this subsection shall be prepared  
10 by a competent engineer or geologist, showing:

11 (i) the stratum in which the existing or proposed  
12 storage reservoir is or is proposed to be located;

13 (ii) the geographic location of the outside  
14 boundaries of the storage reservoir and reservoir  
15 protective area;

16 (iii) the location of all known oil or gas wells in  
17 the reservoir or within 3,000 linear feet thereof which  
18 have been drilled into or through the storage stratum,  
19 indicating which have been or are to be cleaned out and  
20 plugged or reconditioned for storage along with the  
21 proposed location of all additional wells which are to be  
22 drilled within the storage reservoir or within 3,000  
23 linear feet thereof.

24 (5) The following, if available, shall be furnished for  
25 all known oil or gas wells which have been drilled into or  
26 through the storage stratum within the storage reservoir or  
27 within 3,000 linear feet thereof: name of the operator, date  
28 drilled, total depth, depth of production if the well was  
29 productive of oil or gas, the initial rock pressure and  
30 volume, the depths at which all coal seams were encountered

1 and a copy of the driller's log or other similar information.

2 At the time of the filing of the maps and data, a statement  
3 shall be filed:

4 (i) detailing efforts made to determine that the  
5 wells shown are accurately located on the map;

6 (ii) affirming that the wells shown represent, to  
7 the best of the operator's knowledge, all oil or gas  
8 wells which have ever been drilled into or below the  
9 storage stratum within the proposed storage reservoir or  
10 within the reservoir protective area;

11 (iii) stating whether the initial injection is for  
12 testing purposes;

13 (iv) stating the maximum pressure at which injection  
14 and storage of gas is contemplated; and

15 (v) providing a detailed explanation of the methods  
16 to be used or which previously have been used in  
17 drilling, cleaning out, reconditioning and plugging wells  
18 in the storage reservoir or within the reservoir  
19 protective area.

20 (6) The map and data required to be filed under  
21 paragraph (5) shall be amended or supplemented semiannually  
22 if material changes occur. The department may require a  
23 storage operator to amend or supplement the map or data at  
24 more frequent intervals if material changes have occurred  
25 justifying the earlier filing.

26 (b) Other reporting requirements.--A person who is injecting  
27 gas into or storing gas in a storage reservoir not at the time  
28 subject to subsection (a), by a process other than that of  
29 secondary recovery or gas recycling, shall, within 60 days, or a  
30 longer period set by departmental regulations, file maps and

1 data required by departmental regulation and as follows:

2 (1) A person who, after April 18, 1985, proposes to  
3 inject or store gas in a storage reservoir in an area not  
4 covered by subsection (a) by a process other than that of  
5 secondary recovery or gas recycling shall file the required  
6 map and data with the department not less than six months  
7 prior to the starting of actual injection or storage.

8 (2) The map shall be prepared by a competent engineer or  
9 competent geologist and show:

10 (i) the stratum in which the existing or proposed  
11 storage reservoir is or is to be located;

12 (ii) the geographic location of the outside  
13 boundaries of the storage reservoir; and

14 (iii) the location of all known oil or gas wells  
15 within the reservoir, or within 3,000 linear feet  
16 thereof, which have been drilled into or through the  
17 storage stratum, indicating which have been or are to be  
18 cleaned out and plugged or reconditioned for storage and  
19 the proposed location of all additional wells which are  
20 to be drilled within the storage reservoir or within  
21 3,000 linear feet thereof.

22 (3) The following, if available, shall be furnished for  
23 all known oil or gas wells which have been drilled into or  
24 through the storage stratum within the storage reservoir or  
25 within 3,000 linear feet thereof: name of the operator, date  
26 drilled, total depth, depth of production if the well was  
27 productive of oil or gas, the initial rock pressure and  
28 volume and a copy of the driller's log or other similar  
29 information. At the time of the filing of the maps and data,  
30 a statement shall be filed:

1           (i) detailing efforts made to determine that the  
2 wells shown are accurately located on the map;

3           (ii) affirming that the wells shown represent, to  
4 the best of the operator's knowledge, all oil or gas  
5 wells which have ever been drilled into or below the  
6 storage stratum within the proposed storage reservoir;

7           (iii) stating whether the initial injection is for  
8 testing purposes;

9           (iv) stating the maximum pressure at which injection  
10 and storage of gas is contemplated; and

11           (v) providing a detailed explanation of the methods  
12 to be used or which previously have been used in  
13 drilling, cleaning out, reconditioning and plugging wells  
14 in the storage reservoir.

15           (4) The map and data required to be filed under  
16 paragraph (3) shall be amended or supplemented semiannually  
17 if material changes occur. The department may require a  
18 storage operator to amend or supplement the map or data at  
19 more frequent intervals if material changes have occurred  
20 justifying the earlier filing.

21           (c) Political subdivisions.--Storage operators shall give  
22 notice to the department of the name of each political  
23 subdivision and county in which the operator maintains and  
24 operates a gas storage reservoir.

25           (d) Notice to affected persons.--At the time of the filing  
26 of maps and data and the filing of amended or supplemental maps  
27 or data required by this section, the person filing the  
28 information shall give written notice of the filing to all  
29 persons who may be affected under the provisions of this chapter  
30 by the storage reservoir described in the maps or data. Notices

1 shall contain a description of the boundaries of the storage  
2 reservoir. When a person operating a coal mine or owning an  
3 interest in coal properties which are or may be affected by the  
4 storage reservoir requests, in writing, a copy of any map or  
5 data filed with the department, the copy shall be furnished by  
6 the storage operator.

7 (e) Outside boundaries.--For purposes of this chapter, the  
8 outside boundaries of a storage reservoir shall be defined by  
9 the location of those wells around the periphery of the storage  
10 reservoir which had no gas production when drilled in the  
11 storage stratum. The boundaries shall be originally fixed or  
12 subsequently changed if, based on the number and nature of the  
13 wells and the geological and production knowledge of the storage  
14 stratum, its character, permeability, distribution and operating  
15 experience, it is determined in a conference under section 3251  
16 (relating to conferences) that modifications should be made.

17 (f) Inapplicability of section.--The requirements of this  
18 section shall not apply to the operator of an underground gas  
19 storage reservoir so long as the reservoir is located more than  
20 10,000 linear feet from an operating coal mine, except that the  
21 storage operator shall give notice to the department of the name  
22 of each political subdivision and county in which the operator  
23 maintains and operates a gas storage reservoir. In political  
24 subdivisions and counties where both gas storage reservoirs and  
25 coal mines are being operated, the department may request the  
26 storage operator to furnish maps showing geographical locations  
27 and outside boundaries of the storage reservoirs. The department  
28 shall keep a record of the information and promptly notify the  
29 coal operator and the storage operator when notified by them  
30 that the coal mine and storage reservoir are within 10,000

1 linear feet of each other.

2 § 3232. Reporting requirements for coal mining operations.

3 (a) General rule.--A person owning or operating a coal mine  
4 shall file with the department a map prepared and sealed by a  
5 competent individual licensed as a professional engineer or  
6 professional land surveyor under the provisions of the act of  
7 May 23, 1945 (P.L.913, No.367), known as the Engineer, Land  
8 Surveyor and Geologist Registration Law, showing the outside  
9 coal boundaries of the operating coal mine, the existing  
10 workings and exhausted areas and the relationship of the  
11 boundaries to identifiable surface properties and landmarks. A  
12 person owning or operating an operating coal mine which has been  
13 penetrated by a well shall furnish a mine map to the department  
14 each year indicating the excavations for the preceding year and  
15 the projections for the ensuing year. The map required by this  
16 subsection shall be furnished to a person storing or  
17 contemplating the storage of gas in the vicinity of operating  
18 coal mines, upon written request, by the coal operator, and the  
19 person and the department shall thereafter be informed of any  
20 boundary changes at the time the changes occur. The department  
21 shall keep a record of the information and promptly notify the  
22 coal operator and storage operator when notified by them that  
23 the coal mine and the storage reservoir are within 10,000 linear  
24 feet of each other.

25 (b) Mines near certain reservoirs.--A person owning or  
26 operating any coal mine which is or which comes within 10,000  
27 linear feet of a storage reservoir and where the coal seam being  
28 operated extends over the storage reservoir or reservoir  
29 protective area shall, within 45 days after receiving notice  
30 from the storage operator of that fact, file with the department



1 and furnish to the person operating the storage reservoir a map  
2 in the form required by subsection (a) showing, in addition to  
3 the requirements of subsection (a), existing and projected  
4 excavations and workings of the operating coal mine for the  
5 ensuing 18-month period and the location of oil or gas wells of  
6 which the coal operator has knowledge. The person owning or  
7 operating the coal mine shall, each six months thereafter, file  
8 with the department and furnish to the person operating the  
9 storage reservoir a revised map showing any additional  
10 excavations and workings, together with the projected  
11 excavations and workings for the then ensuing 18-month period,  
12 which may be within 10,000 linear feet of the storage reservoir.  
13 The department may require a coal operator to file revised maps  
14 at more frequent intervals if material changes have occurred  
15 justifying earlier filing. The person owning or operating the  
16 coal mine shall also file with the department and furnish the  
17 person operating the reservoir prompt notice of any wells which  
18 have been cut into, together with all available pertinent  
19 information.

20 (c) Mines near gas storage reservoirs.--A person owning or  
21 operating a coal mine who has knowledge that it overlies or is  
22 within 2,000 linear feet of a gas storage reservoir shall,  
23 within 30 days, notify the department and the storage operator  
24 of that fact.

25 (d) Mines projected to be near storage reservoirs.--When a  
26 person owning or operating a coal mine expects that, within the  
27 ensuing nine-month period, the coal mine will be extended to a  
28 point which will be within 2,000 linear feet of any storage  
29 reservoir, the person shall notify the department and storage  
30 operator in writing of that fact.

1 (e) New mines.--A person intending to establish or  
2 reestablish an operating coal mine which will be over a storage  
3 reservoir or within 2,000 linear feet of a storage reservoir or  
4 may, within nine months thereafter, be expected to be within  
5 2,000 linear feet of a storage reservoir shall immediately  
6 notify the department and storage operator in writing. Notice  
7 shall include the date on which the person intends to establish  
8 or reestablish the operating coal mine.

9 (f) Misdemeanor.--A person who serves notice as required by  
10 this subsection of an intention to establish or reestablish an  
11 operating coal mine, without intending in good faith to  
12 establish or reestablish the mine, is liable for continuing  
13 damages to a storage operator injured by the improper notice and  
14 commits a misdemeanor subject to the penalties of section 3255  
15 (relating to penalties).

16 § 3233. General gas storage reservoir operations.

17 (a) General rule.--A person who operates or proposes to  
18 operate a storage reservoir, except one filled by the secondary  
19 recovery or gas recycling process, shall:

20 (1) Use every known method which is reasonable under the  
21 circumstances for discovering and locating all wells which  
22 have or may have been drilled into or through the storage  
23 reservoir.

24 (2) Plug or recondition, as provided in departmental  
25 regulations, all known wells drilled into or through the  
26 storage reservoir, except to the extent otherwise provided in  
27 subsections (b) and (c).

28 (b) Wells to be plugged.--To comply with subsection (a),  
29 wells which are to be plugged shall be plugged in the manner  
30 specified in section 3220 (relating to plugging requirements).

1 (b.1) Wells plugged prior to enactment of section.--If a  
2 well located in the storage reservoir area has been plugged  
3 prior to April 18, 1985, and on the basis of data, information  
4 and other evidence submitted to the department, it is determined  
5 that the plugging was done in the manner required by section  
6 3220 or approved as an alternative method under section 3221  
7 (relating to alternative methods) and the plugging is still  
8 sufficiently effective to meet the requirements of this chapter,  
9 the obligations under subsection (a) with regard to plugging the  
10 well shall be considered to have been fully satisfied.

11 (c) Wells to be reconditioned.--The following shall apply:

12 (1) To comply with subsection (a), wells which are to be  
13 reconditioned shall, unless the department by regulation  
14 specifies a different procedure, be cleaned out from the  
15 surface through the storage horizon, and the producing casing  
16 and casing strings determined not to be in good physical  
17 condition shall be replaced with new casing, using the same  
18 procedure as is applicable to drilling a new well under this  
19 chapter. In the case of wells to be used for gas storage, the  
20 annular space between each string of casing and the annular  
21 space behind the largest diameter casing to the extent  
22 possible shall be filled to the surface with cement or  
23 bentonitic mud or a nonporous material approved by the  
24 department under section 3221. At least 15 days prior to  
25 reconditioning, the storage operator shall give notice to the  
26 department, setting forth in the notice the manner in which  
27 it is planned to recondition the well and any pertinent data  
28 known to the storage operator which will indicate the  
29 condition of the well existing at that time. In addition, the  
30 storage operator shall give the department at least 72 hours'

1 notice of the time when reconditioning is to begin. If no  
2 objections are raised by the department within ten days, the  
3 storage operator may proceed with reconditioning in  
4 accordance with the plan as submitted. If objections are made  
5 by the department, the department may fix a time and place  
6 for a conference under section 3251 (relating to conferences)  
7 at which the storage operator and department shall endeavor  
8 to agree on a plan to satisfy the objections and meet the  
9 requirements of this section. If no agreement is reached, the  
10 department may, by an appropriate order, determine whether  
11 the plan as submitted meets the requirements of this section  
12 or what changes, if any, are required. If, in reconditioning  
13 a well in accordance with the plan, physical conditions are  
14 encountered which justify or necessitate a change in the  
15 plan, the storage operator may request that the plan be  
16 changed. If the request is denied, the department shall fix a  
17 conference under section 3251 and proceed in the same manner  
18 as with original objections. An application may be made in  
19 the manner prescribed by section 3221 for approval of an  
20 alternative method of reconditioning a well. If a well  
21 located within the storage reservoir was reconditioned, or  
22 drilled and equipped, prior to April 18, 1985, the  
23 obligations imposed by subsection (a), as to reconditioning  
24 the well, shall be considered fully satisfied if, on the  
25 basis of the data, information and other evidence submitted  
26 to the department, it is determined that:

27 (i) The conditioning or previous drilling and  
28 equipping was done in the manner required in this  
29 subsection, in regulations promulgated under this chapter  
30 or in a manner approved as an alternative method in

1 accordance with section 3221.

2 (ii) The reconditioning or previous drilling and  
3 equipping is still sufficiently effective to meet the  
4 requirements of this chapter.

5 (2) If a well requires emergency repairs, this chapter  
6 shall not be construed to require the storage operator to  
7 give any notice required by this subsection before making the  
8 repairs.

9 (d) Exception.--The requirements of subsection (a) shall not  
10 apply to injection of gas into a stratum when the sole purpose  
11 of injection, referred to in this subsection as testing, is to  
12 determine whether the stratum is suitable for storage purposes.  
13 Testing shall be conducted only in compliance with the following  
14 requirements:

15 (1) The person testing or proposing to test shall comply  
16 with section 3231 (relating to reporting requirements for gas  
17 storage operations) and verify the statement required to be  
18 filed by that section.

19 (2) The storage operator shall give at least six months'  
20 written notice to the department of the fact that injection  
21 of gas for testing purposes is proposed.

22 (3) If the department has objections, the department  
23 shall fix a time and place for a conference under section  
24 3251, not more than ten days from the date of notice to the  
25 storage operator, at which time the storage operator and  
26 department shall attempt to resolve the issues presented. If  
27 an agreement cannot be reached, the department may issue an  
28 appropriate order.

29 (e) Failure to execute lawful order.--In a proceeding under  
30 this chapter, if the department determines that an operator of a

1 storage reservoir has failed to carry out a lawful order issued  
2 under this chapter, the department may require the operator to  
3 suspend operation of the reservoir and withdraw the gas until  
4 the violation is remedied, in which case the storage operator,  
5 limited by due diligence insofar as existing facilities utilized  
6 to remove gas from the reservoir will permit, shall:

7 (1) if possible, remove the amount required by the  
8 department to be removed; or

9 (2) in any event, remove the maximum amount which can be  
10 withdrawn in accordance with recognized engineering and  
11 operating procedures.

12 (f) Duty of storage reservoir operator.--The following shall  
13 apply:

14 (1) A person owning or operating a storage reservoir  
15 subject to this chapter shall have a duty to:

16 (i) Maintain all wells drilled into or through the  
17 reservoir in a condition, and operate them in a manner,  
18 sufficient to prevent the escape of gas.

19 (ii) Operate and maintain the reservoir and its  
20 facilities as prescribed by departmental regulations and  
21 at a pressure which will prevent gas from escaping, but  
22 the pressure shall not exceed the highest rock pressure  
23 found to have existed during the production history of  
24 the reservoir or another high pressure limit approved by  
25 the department after holding a conference under section  
26 3251 based on geological and production knowledge of the  
27 reservoir, its character, permeability distribution and  
28 operating experience.

29 (2) The duty under paragraph (1) shall not be construed  
30 to include inability to prevent the escape of gas when gas

1 escapes as a result of an act of God or a person not under  
2 the control of the storage operator. In that instance, the  
3 storage operator shall have a duty to take action reasonably  
4 necessary to prevent further escape of gas. This paragraph  
5 does not apply to a well which the storage operator failed to  
6 locate and make known to the department.

7 § 3234. Gas storage reservoir operations in coal areas.

8 (a) General rule.--A person operating a storage reservoir  
9 which underlies or is within 2,000 linear feet of a coal mine  
10 operating in a coal seam that extends over the storage reservoir  
11 or the reservoir protective area shall:

12 (1) Use every known reasonable method for discovering  
13 and locating all wells which have or may have been drilled  
14 into or through the storage stratum in the acreage lying  
15 within the outside coal boundaries of the operating coal mine  
16 overlying the storage reservoir or the reservoir protective  
17 area.

18 (2) Plug or recondition, as provided by section 3220  
19 (relating to plugging requirements) and subsection (e), all  
20 known wells, except to the extent provided in subsections  
21 (e), (f), (g) and (h), drilled into or through the storage  
22 stratum and located within the portion of the acreage of the  
23 operating coal mine overlying the storage reservoir or the  
24 reservoir protective area. If an objection is raised as to  
25 use of a well as a storage well and after a conference under  
26 section 3251 (relating to conferences), it is determined by  
27 the department, taking into account all circumstances and  
28 conditions, that the well should not be used as a storage  
29 well, the well shall be plugged unless, in the opinion of the  
30 storage operator, the well may be used as a storage well in

1 the future, in which case, upon approval of the department  
2 after taking into account all circumstances and conditions,  
3 the storage operator may recondition and inactivate the well  
4 rather than plug it.

5 (3) The requirements of paragraph (2) shall be deemed to  
6 have been fully complied with if, as the operating coal mine  
7 is extended, all wells which from time to time come within  
8 the acreage described in paragraph (2) are reconditioned or  
9 plugged as provided in section 3220 and subsection (e) or (f)  
10 so that, by the time the coal mine has reached a point within  
11 2,000 linear feet of the wells, they will have been  
12 reconditioned or plugged in accordance with section 3220 and  
13 subsection (e) or (f).

14 (b) Verified statement.--A person operating a storage  
15 reservoir referred to in subsection (a) shall file with the  
16 department and furnish a copy to the person operating the  
17 affected operating coal mine a verified statement setting forth:

18 (1) That the map and any supplemental maps required by  
19 section 3231(a) (relating to reporting requirements for gas  
20 storage operations) have been prepared and filed in  
21 accordance with section 3231.

22 (2) A detailed explanation of what the storage operator  
23 has done to comply with the requirements of subsection (a)(1)  
24 and (2) and the results of those actions.

25 (3) Such additional efforts, if any, as the storage  
26 operator is making and intends to make to locate all wells.

27 (4) Any additional wells that are to be plugged or  
28 reconditioned to meet the requirements of subsection (a)(2).

29 (b.1) Order of department.--If the statement required under  
30 subsection (b) is not filed by the storage reservoir operator



1 within the time specified by this chapter or the regulations of  
2 the department, the department may order the operator to file  
3 the statement.

4 (c) Procedure.--Within 120 days after receipt of a statement  
5 required by this section, the department may direct that a  
6 conference be held in accordance with section 3251 to determine  
7 whether the requirements of section 3231 and subsection (a) have  
8 been fully met. At the conference, if any person believes the  
9 requirements have not been fully met, the parties shall attempt  
10 to agree on additional actions to be taken and the time for  
11 completion, subject to approval of the department. If an  
12 agreement cannot be reached, the department shall make a  
13 determination and, if the department determines any requirements  
14 have not been met, the department shall issue an order  
15 specifying in detail the extent to which the requirements have  
16 not been met and the actions which the storage operator must  
17 complete to meet the requirements. The order shall grant as much  
18 time as is reasonably necessary to fully comply. If the storage  
19 operator encounters conditions not known to exist at the time of  
20 issuance of the order and which materially affect the validity  
21 of the order or the ability of the storage operator to comply  
22 with it, the storage operator may apply for a rehearing or  
23 modification of the order.

24 (d) Notification.--If, in complying with subsection (a), a  
25 storage operator, after filing the statement provided for in  
26 subsection (b), plugs or reconditions a well, the storage  
27 operator shall notify the department and the coal operator  
28 affected, in writing, setting forth facts indicating the manner  
29 in which the plugging or reconditioning was done. Upon receipt  
30 of the notification, the coal operator or department may request

1 a conference under section 3251.

2 (e) Plugging wells.--In order to meet the requirements of  
3 subsection (a), wells which are to be plugged shall be plugged  
4 in the manner specified in regulations promulgated under section  
5 3211 (relating to well permits). When a well located within the  
6 storage reservoir or the reservoir protective area has been  
7 plugged prior to April 18, 1985, and, on the basis of the data  
8 information and other evidence submitted to the department, it  
9 is determined that the plugging was done in the manner required  
10 by section 3220, or in a manner approved as an alternative  
11 method in accordance with section 3221 (relating to alternative  
12 methods), and the plugging is still sufficiently effective to  
13 meet the requirements of this chapter, the requirements of  
14 subsection (a) as to plugging the well shall be considered to  
15 have been fully satisfied.

16 (f) Reconditioned wells.--The following shall apply:

17 (1) In order to comply with subsection (a), unless the  
18 department by regulation specifies a different procedure,  
19 wells which are to be reconditioned shall be cleaned out from  
20 the surface through the storage horizon, and the following  
21 casing strings shall be pulled and replaced with new casing,  
22 using the procedure applicable to drilling a new well under  
23 this chapter:

24 (i) the producing casing;

25 (ii) the largest diameter casing passing through the  
26 lowest workable coal seam unless it extends at least 25  
27 feet below the bottom of the coal seam and is determined  
28 to be in good physical condition, but the storage  
29 operator may, instead of replacing the largest diameter  
30 casing, replace the next largest casing string if the

1 casing string extends at least 25 feet below the lowest  
2 workable coal seam; and

3 (iii) casing strings determined not to be in good  
4 physical condition.

5 (2) In the case of a well to be used for gas storage,  
6 the annular space between each string of casing and the  
7 annular space behind the largest diameter casing, to the  
8 extent possible, shall be filled to the surface with cement  
9 or bentonitic mud or an equally nonporous material approved  
10 by the department under section 3221.

11 (3) At least 15 days before a well is to be  
12 reconditioned, the storage operator shall give notice to the  
13 department and the coal operator, lessee or owner, setting  
14 forth the manner in which reconditioning is planned and  
15 pertinent data known to the storage operator which will  
16 indicate the current condition of the well, along with at  
17 least 72 hours' notice of the date and time when  
18 reconditioning will begin. The coal operator, lessee or owner  
19 shall have the right to file, within ten days after receipt  
20 of the notice, objections to the plan of reconditioning as  
21 submitted by the storage operator. If no objections are filed  
22 and none are raised by the department within ten days, the  
23 storage operator may proceed with reconditioning in  
24 accordance with the plan as submitted. If an objection is  
25 filed or made by the department, the department shall fix a  
26 time and place for a conference under section 3251, at which  
27 conference the storage operator and the person having  
28 objections shall attempt to agree on a plan of reconditioning  
29 that meets the requirements of this section. If no agreement  
30 is reached, the department shall, by an appropriate order,

1 determine whether the plan as submitted meets the  
2 requirements of this section or what changes should be made  
3 to meet the requirements. If, in reconditioning the well in  
4 accordance with the plan, physical conditions are encountered  
5 which justify or necessitate a change in the plan, the  
6 storage operator or coal operator may request that the plan  
7 be changed. If the parties cannot agree on a change, the  
8 department shall arrange for a conference to determine the  
9 matter in the same manner as set forth in connection with  
10 original objections to the plan.

11 (4) Application may be made to the department in the  
12 manner prescribed in section 3221 for approval of an  
13 alternative method of reconditioning a well. When a well  
14 located within the storage reservoir or the reservoir  
15 protective area has been reconditioned or drilled and  
16 equipped prior to April 18, 1985, and, on the basis of the  
17 data, information and other evidence submitted to the  
18 department, the obligations imposed by subsection (a) as to  
19 reconditioning the well shall be considered to be fully  
20 satisfied if it is determined that reconditioning or previous  
21 drilling and equipping:

22 (i) was done in the manner required in this  
23 subsection, or in regulations promulgated hereunder, or  
24 in a manner approved as an alternative method in  
25 accordance with section 3221; or

26 (ii) is still sufficiently effective to meet the  
27 requirements of this chapter.

28 (5) If a well requires emergency repairs, this  
29 subsection shall not be construed to require the storage  
30 operator to give the notices specified herein before making

1 the repairs.

2 (g) Producing wells.--If a well located within the reservoir  
3 protective area is a producing well in a stratum below the  
4 storage stratum, the obligations imposed by subsection (a) shall  
5 not begin until the well ceases to be a producing well.

6 (h) Certain other wells.--If a well within a storage  
7 reservoir or reservoir protective area penetrates the storage  
8 stratum but does not penetrate the coal seam being mined by an  
9 operating coal mine, the department may, upon application of the  
10 operator of the storage reservoir, exempt the well from the  
11 requirements of this section. Either party affected may request  
12 a conference under section 3251 with respect to exemption of a  
13 well covered by this subsection.

14 (i) Plugging limitation.--In fulfilling the requirements of  
15 subsection (a) (2) with respect to a well within the reservoir  
16 protective area, the storage operator shall not be required to  
17 plug or recondition the well until the storage operator has  
18 received from the coal operator written notice that the mine  
19 workings will, within the period stated in the notice, be within  
20 2,000 linear feet of the well. Upon the receipt of the notice,  
21 the storage operator shall use due diligence to complete the  
22 plugging or reconditioning of the well in accordance with the  
23 requirements of this section and section 3220. If the mine  
24 workings do not, within a period of three years after the well  
25 has been plugged, come within 2,000 linear feet of the well, the  
26 coal operator shall reimburse the storage operator for the cost  
27 of plugging, provided that the well is still within the  
28 reservoir protective area as of that time.

29 (j) Retreat mining.--If retreat mining approaches a point  
30 where, within 90 days, it is expected that the retreat work will

1 be at the location of the pillar surrounding an active storage  
2 well, the coal operator shall give written notice to the storage  
3 operator, and by agreement, the parties shall determine whether  
4 it is necessary or advisable to effectively and temporarily  
5 inactivate the well. The well shall not be reactivated until a  
6 reasonable period, determined by the parties, has elapsed. If  
7 the parties cannot agree as required by this subsection, the  
8 matter shall be submitted to the department for resolution. The  
9 number of wells required to be temporarily inactivated during  
10 the retreat period shall not be of a number that materially  
11 affects efficient operation of the storage pool, except that  
12 this provision shall not preclude temporary inactivation of a  
13 particular well if the practical effect of inactivating it is to  
14 render the pool temporarily inoperative.

15 (k) Exceptions.--The requirements of subsections (a), (l)  
16 and (m) shall not apply to injection of gas into a stratum when  
17 the whole purpose of injection, referred to in this subsection  
18 as testing, is to determine whether the stratum is suitable for  
19 storage purposes. Testing shall be conducted only in compliance  
20 with the following requirements:

21 (1) The person testing or proposing to test shall comply  
22 with all provisions and requirements of section 3231 and  
23 verify the statement required to be filed by that section.

24 (2) If any part of the proposed storage reservoir is  
25 under or within 2,000 linear feet of an operating coal mine  
26 which is operating in a coal seam that extends over the  
27 proposed storage reservoir or the reservoir protective area,  
28 the storage operator shall give at least six months' written  
29 notice to the department and coal operator of the fact that  
30 injection of gas for testing purposes is proposed.

1           (3) The coal operator affected may at any time file  
2 objections with the department, whereupon the department  
3 shall fix a time and place for a conference under section  
4 3251, not more than ten days from the date of the notice to  
5 the storage operator. At the conference, the storage operator  
6 and the objecting party shall attempt to agree, subject to  
7 approval of the department, on the questions involved. If an  
8 agreement cannot be reached, the department may issue an  
9 appropriate order.

10           (4) If at any time a proposed storage reservoir being  
11 tested comes under or within 2,000 linear feet of an  
12 operating coal mine because of extension of the storage  
13 reservoir being tested or because of extension or  
14 establishment or reestablishment of the operating coal mine,  
15 the requirements of this subsection shall immediately become  
16 applicable to the testing.

17           (l) Storage reservoirs near operating coal mines.--A person  
18 who proposes to establish a storage reservoir under or within  
19 2,000 linear feet of a coal mine operating in a coal seam that  
20 extends over the storage reservoir or the reservoir protective  
21 area shall, prior to establishing the reservoir, and in addition  
22 to complying with section 3231 and subsection (a), file the  
23 verified statement required by subsection (b) and fully comply  
24 with any order of the department in the manner provided under  
25 subsection (b) or (c) before commencing operation of the storage  
26 reservoir. After the person proposing to operate the storage  
27 reservoir complies with the requirements of this subsection and  
28 commences operations, the person shall continue to be subject to  
29 all provisions of this chapter.

30           (m) Gas storage reservoirs.--If a gas storage reservoir is

1 in operation on April 18, 1985, and at any time thereafter it is  
2 under or within 2,000 linear feet of an operating coal mine, or  
3 if a gas storage reservoir is put in operation after April 18,  
4 1985, and at any time after storage operations begin it is under  
5 or within 2,000 linear feet of an operating coal mine, the  
6 storage operator shall comply with all of the provisions of this  
7 section, except that:

8 (1) the time for filing the verified statement under  
9 subsection (b) shall be 60 days after the date stated in the  
10 notice filed by the coal operator under section 3232(d) and  
11 (e) (relating to reporting requirements for coal mining  
12 operations);

13 (2) the coal operator shall give notice of the delay to  
14 the department;

15 (3) the department shall, upon the request of the  
16 storage operator, extend the time for filing the statement by  
17 the additional time which will be required to extend or  
18 establish or reestablish the operating coal mine to a point  
19 within 2,000 linear feet of the reservoir;

20 (4) the verified statement shall also indicate that the  
21 map referred to in section 3231(a) has been currently amended  
22 as of the time of the filing of the statement; and

23 (5) the person operating the storage reservoir shall  
24 continue to be subject to all of the provisions of this  
25 chapter.

26 (n) Failure to comply with order.--If, in any proceeding  
27 under this chapter, the department determines that an operator  
28 of a storage reservoir has failed to comply with a lawful order  
29 issued under this chapter, the department may require the  
30 storage operator to suspend operation of the reservoir and



1 withdraw the gas from it until the violation is remedied, in  
2 which case the storage operator, limited by due diligence  
3 insofar as existing facilities utilized to remove gas from the  
4 reservoir will permit, shall:

5 (1) if possible, remove the amount required by the  
6 department to be removed; or

7 (2) in any event, remove the maximum amount which can be  
8 withdrawn in accordance with recognized engineering and  
9 operating procedures.

10 (o) Prevention of escape of gas.--In addition to initial  
11 compliance with other provisions of this chapter and lawful  
12 orders issued under this chapter, it shall be the duty, at all  
13 times, of a person owning or operating a storage reservoir  
14 subject to this chapter to keep all wells drilled into or  
15 through the storage stratum in a condition, and operate the  
16 wells in a manner, which is designed to prevent the escape of  
17 gas out of the storage reservoir and its facilities, and to  
18 operate and maintain the storage reservoir and its facilities in  
19 the manner prescribed by regulation of the department and at a  
20 pressure that will prevent gas from escaping from the reservoir  
21 or its facilities. This duty shall not be construed to include  
22 inability to prevent the escape of gas when escape results from  
23 an act of God or a person not under the control of the storage  
24 operator, except that this exception does not apply to a well  
25 which the storage operator has failed to locate and make known  
26 to the department. If an escape of gas results from an act of  
27 God or a person not under the control of the storage operator,  
28 the storage operator shall be under the duty to take any action  
29 reasonably necessary to prevent further escape of gas out of the  
30 storage reservoir and its facilities.

1 § 3235. Inspection of facilities and records.

2 (a) General rule.--The person operating a storage reservoir  
3 affected by this chapter shall, at all reasonable times, be  
4 permitted to inspect applicable records and facilities of a coal  
5 mine overlying the storage reservoir or reservoir protective  
6 area. The person operating a coal mine affected by this chapter  
7 shall, at all reasonable times, be permitted to inspect  
8 applicable records and facilities of a storage reservoir  
9 underlying the coal mine.

10 (b) Order.--If a storage operator or coal operator subject  
11 to subsection (a) refuses to permit inspection of records or  
12 facilities, the department may, on its own motion or on  
13 application of the party seeking inspection, after reasonable  
14 written notice and a hearing if requested by an affected party,  
15 order inspection.

16 § 3236. Reliance on maps and burden of proof.

17 (a) General rule.--In determining whether a coal mine or  
18 operating coal mine is or will be within a particular distance  
19 from a storage reservoir which is material under this chapter,  
20 the owner or operator of the coal mine and the storage operator  
21 may rely on the most recent map of the storage reservoir or coal  
22 mine filed by the other party with the department.

23 (b) Accuracy.--Where accuracy of a map or data filed under  
24 this chapter is in issue, the person that filed the map or data  
25 shall:

26 (1) at the request of an objecting party, disclose the  
27 information and method used to compile the map or data, along  
28 with any information available to the person that might  
29 affect current validity of the map or data; and

30 (2) have the burden of proving accuracy of the map or

1 data.

2 § 3237. Exemptions and prohibitions.

3 (a) Inapplicability of chapter to certain coal mines.--This  
4 chapter shall not apply to the following types of coal mines:

5 (1) Strip mines and auger mines operating from the  
6 surface.

7 (2) Mines to which the former act of June 9, 1911  
8 (P.L.756, No.319), entitled "An act to provide for the health  
9 and safety of persons employed in and about the bituminous  
10 coal-mines of Pennsylvania, and for the protection and  
11 preservation of property connected therewith," did not apply  
12 in accordance with section 3 of that act.

13 (3) Mines to which the former act of June 2, 1891  
14 (P.L.176, No.177), entitled "An act to provide for the health  
15 and safety of persons employed in and about the anthracite  
16 coal mines of Pennsylvania and for the protection and  
17 preservation of property connected therewith," did not apply  
18 in accordance with section 32 of that act.

19 (b) Workable coal seams.--Injection of gas for storage  
20 purposes in a workable coal seam, whether or not it is being or  
21 has been mined, is prohibited.

22 (b.1) Original extraction.--Nothing in this chapter  
23 prohibits original extraction of natural gas, crude oil or coal.

24 (c) Certain rock formations.--Nothing in this chapter  
25 applies to storage of gas or liquids in storage reservoirs  
26 excavated in rock formations specifically for storage purposes.

27 SUBCHAPTER D

28 EMINENT DOMAIN

29 Sec.

30 3241. Appropriation of interest in real property.

1 § 3241. Appropriation of interest in real property.

2 (a) General rule.--Except as provided in this subsection, a  
3 corporation empowered to transport, sell or store natural gas or  
4 manufactured gas in this Commonwealth may appropriate an  
5 interest in real property located in a storage reservoir or  
6 reservoir protective area for injection, storage and removal  
7 from storage of natural gas or manufactured gas in a stratum  
8 which is or previously has been commercially productive of  
9 natural gas. The right granted by this subsection shall not be  
10 exercised to acquire any of the following for the purpose of gas  
11 storage:

12 (1) An interest in a geological stratum within the area  
13 of a proposed storage reservoir or reservoir protective area:

14 (i) unless the original recoverable oil or gas  
15 reserves in the proposed storage reservoir have been  
16 depleted or exhausted by at least 80%; and

17 (ii) until the condemnor has acquired the right, by  
18 grant, lease or other agreement, to store gas in the  
19 geological stratum underlying at least 75% of the area of  
20 the proposed storage reservoir.

21 (2) An interest in a geological stratum within the area  
22 of a proposed storage reservoir or reservoir protective area  
23 owned directly or indirectly by a gas company or other person  
24 engaged in local distribution of natural gas, if the interest  
25 to be acquired is presently being used by the gas company or  
26 other person for storage of gas in performance of service to  
27 customers in its service area.

28 (b) Construction.--The following shall apply:

29 (1) This chapter authorizes appropriation within a  
30 storage reservoir or reservoir protective area of the

1 following:

2 (i) a stratum to be used for storage;

3 (ii) any gas reserve remaining a stratum to be used  
4 for storage;

5 (iii) an active or abandoned well or wells drilled  
6 into a stratum to be used for storage; and

7 (iv) the right to enter upon and use the surface of  
8 lands to:

9 (A) locate, recondition, maintain, plug or  
10 replug an active or abandoned well; or

11 (B) operate a well drilled into or through a  
12 stratum to be used for storage.

13 (2) This chapter does not preclude the owner of  
14 nonstorage strata from drilling wells to produce oil or gas  
15 from a stratum above or below the storage stratum  
16 appropriated by another person, but a person appropriating or  
17 holding storage rights may access, inspect and examine the  
18 drilling, the completed well, drilling logs and other records  
19 relating to drilling, equipping or operating the well in  
20 order to determine whether the storage stratum is being  
21 adequately protected to prevent escape of gas stored therein.

22 (3) This chapter does not authorize appropriation of a  
23 coal or coal measure, regardless of whether it is being  
24 mined, or an interest in the coal mine or coal measure.

25 (c) Activities through appropriated strata.--A person  
26 drilling, operating, using or plugging a well through a stratum  
27 appropriated under this chapter shall drill, case, equip,  
28 operate or plug it in a manner designed to prevent avoidable  
29 escape of gas that may be stored in the storage stratum. Upon  
30 violation of this subsection, the court of common pleas of the

1 county where the land in question is situated may compel  
2 compliance by injunction or grant other appropriate relief in an  
3 action brought by the person storing gas in the storage stratum.

4 (d) Prerequisites to appropriation.--Before appropriating  
5 under this chapter, a person shall attempt to agree with owners  
6 of interests in the real property involved as to damages payable  
7 for rights and interests to be appropriated, if the owners can  
8 be found and are sui juris. If the parties fail to agree, the  
9 person shall tender a surety bond to the owners to secure them  
10 in the payment of damages. If the owners refuse to accept the  
11 bond, cannot be found or are not sui juris, and after reasonable  
12 notice to the owners by advertisement or otherwise, the bond  
13 shall be presented for approval to the court of common pleas of  
14 the county in which the tract of land is situated. Upon the  
15 approval of the bond by the court, the right of the person to  
16 appropriate in accordance with the provisions of this chapter  
17 shall be complete.

18 (e) Appointment of viewers.--Upon petition of a property  
19 owner or a person appropriating under this chapter, the court  
20 shall:

21 (1) appoint three disinterested freeholders of the  
22 county to serve as viewers to assess damages to be paid to  
23 the property owner for the rights appropriated;

24 (2) fix a time for the parties to meet;

25 (3) provide notice to the parties; and

26 (4) after the viewers have filed their report, fix  
27 reasonable compensation for the service of the viewers.

28 (f) Appeal.--Within 20 days after the filing of a report by  
29 viewers appointed under subsection (e), a party may appeal and  
30 proceed to a jury trial as in ordinary cases.

1 (g) Requirements.--Nothing in this section shall relieve a  
2 person operating a storage reservoir from the requirements of  
3 this chapter.

4 SUBCHAPTER E

5 ENFORCEMENT AND REMEDIES

6 Sec.

7 3251. Conferences.

8 3252. Public nuisances.

9 3253. Enforcement orders.

10 3254. Restraining violations.

11 3254.1. Well control emergency response cost recovery.

12 3255. Penalties.

13 3256. Civil penalties.

14 3257. Existing rights and remedies preserved and cumulative  
15 remedies authorized.

16 3258. Inspection and production of materials, witnesses,  
17 depositions and rights of entry.

18 3259. Unlawful conduct.

19 3260. Collection of fines and penalties.

20 3261. Third party liability.

21 3262. Inspection reports.

22 § 3251. Conferences.

23 (a) General rule.--The department or any person having a  
24 direct interest in a matter subject to this chapter may, at any  
25 time, request that a conference be held to discuss and attempt  
26 to resolve by mutual agreement a matter arising under this  
27 chapter. Unless otherwise provided, conferences shall be held  
28 within 90 days after a request is received by the department,  
29 and notice shall be given by the department to all interested  
30 parties. A representative of the department shall attend the

1 conference and the department may make recommendations. An  
2 agreement reached at a conference shall be consistent with this  
3 chapter and, if approved by the department, it shall be reduced  
4 to writing and shall be effective, unless reviewed and rejected  
5 by the department within ten days after the conference. The  
6 record of an agreement approved by the department shall be kept  
7 on file by the department and copies shall be furnished to the  
8 parties. The scheduling of a conference shall have no effect on  
9 the department's authority to issue orders to compel compliance  
10 with this chapter.

11 (b) Notification.--When a coal operator is to be notified of  
12 a proceeding under this section, the department simultaneously  
13 shall send a copy of the notice to the collective bargaining  
14 representative of employees of the coal operator.

15 § 3252. Public nuisances.

16 A violation of section 3215.1 (relating to general  
17 restrictions), 3216 (relating to well site restoration), 3217  
18 (relating to protection of fresh groundwater and casing  
19 requirements), 3218 (relating to protection of water supplies),  
20 3219 (relating to use of safety devices) or 3220 (relating to  
21 plugging requirements), or a rule, regulation, order, term or  
22 condition of a permit relating to any of those sections  
23 constitutes a public nuisance.

24 § 3253. Enforcement orders.

25 (a) General rule.--Except as modified by subsections (b),  
26 (c) and (d), the department may issue orders necessary to aid in  
27 enforcement of this chapter. An order issued under this chapter  
28 shall take effect upon notice, unless the order specifies  
29 otherwise. The power of the department to issue an order under  
30 this chapter is in addition to any other remedy available to the



1 department under this chapter or under any other law.

2 (b) Suspension and revocation.--The department may suspend  
3 or revoke a well permit or well registration for any well in  
4 continuing violation of this chapter, the act of June 22, 1937  
5 (P.L.1987, No.394), known as The Clean Streams Law; the act of  
6 July 7, 1980 (P.L.380, No.97), known as the Solid Waste  
7 Management Act; any other statute administered by the  
8 department; or a rule or regulation. A suspension order of the  
9 department shall automatically terminate if the violation upon  
10 which it is based is corrected by the operator to the  
11 satisfaction of the department in order to bring the well into  
12 compliance with this chapter.

13 (c) Written notice.--Prior to suspension or revocation of a  
14 well permit or registration, the department shall serve written  
15 notice on the well operator or its agent, stating specifically  
16 the statutory provision, rule, regulation or other reason relied  
17 upon, along with factual circumstances surrounding the alleged  
18 violation.

19 (d) Immediate orders.--An order of the department requiring  
20 immediate cessation of drilling operations shall be effective  
21 only if authorized by the secretary or a designee.

22 (e) Grievances.--A person aggrieved by a department order  
23 issued under this section shall have the right, within 30 days  
24 of receipt of the notice, to appeal to the Environmental Hearing  
25 Board.

26 § 3254. Restraining violations.

27 (a) General rule.--In addition to any other remedy provided  
28 in this chapter, the department may institute a suit in equity  
29 in the name of the Commonwealth for an injunction to restrain a  
30 violation of this chapter or rules, regulations, standards or

1 orders adopted or issued under this chapter and to restrain the  
2 maintenance or threat of a public nuisance. Upon motion of the  
3 Commonwealth, the court shall issue a prohibitory or mandatory  
4 preliminary injunction if it finds that the defendant is  
5 engaging in unlawful conduct, as defined by this chapter, or  
6 conduct causing immediate and irreparable harm to the public.  
7 The Commonwealth shall not be required to furnish bond or other  
8 security in connection with the proceeding. In addition to an  
9 injunction, the court in equity may level civil penalties as  
10 specified in section 3256 (relating to civil penalties).

11 (b) District attorney.--In addition to other remedies in  
12 this chapter, upon relation of the district attorney of a county  
13 affected, or upon relation of the solicitor of a municipality  
14 affected, an action in equity may be brought in a court of  
15 competent jurisdiction for an injunction to restrain a violation  
16 of this chapter or rules and regulations promulgated under this  
17 chapter or to restrain a public nuisance or detriment to health.

18 (c) Concurrent penalties.--Penalties and remedies under this  
19 chapter shall be deemed concurrent. Existence or exercise of one  
20 remedy shall not prevent the department from exercising another  
21 remedy at law or in equity.

22 (d) Jurisdiction.--Actions under this section may be filed  
23 in the appropriate court of common pleas or in Commonwealth  
24 Court, and those courts are hereby granted jurisdiction to hear  
25 actions under this section.

26 § 3254.1. Well control emergency response cost recovery.

27 A person liable for a well control emergency is responsible  
28 for all response costs incurred by the department to respond to  
29 the well control emergency. In an action before a court of  
30 competent jurisdiction, the department may recover all its

1 response costs, including the cost of regaining control of the  
2 well, controlling the perimeter of the well site, preparing  
3 water sprays, establishing trenches or dikes to capture runoff  
4 fluids and providing the resources and equipment needs for the  
5 incident.

6 § 3255. Penalties.

7 (a) General violation.--A person violating a provision of  
8 this chapter commits a summary offense and, upon conviction,  
9 shall be sentenced to pay a fine of not more than \$300 or to  
10 imprisonment of not more than 90 days, or both. Each day during  
11 which the violation continues is a separate and distinct  
12 offense.

13 (b) Willful violation.--A person willfully violating a  
14 provision of this chapter or an order of the department issued  
15 under this chapter commits a misdemeanor and, upon conviction,  
16 shall be sentenced to pay a fine of not more than \$5,000 or to  
17 imprisonment of not more than one year, or both. Each day during  
18 which the violation continues is a separate and distinct  
19 offense.

20 (c) Authority.--The department may institute a prosecution  
21 against any person or municipality for a violation of this  
22 chapter.

23 § 3256. Civil penalties.

24 In addition to other remedies available at law or in equity  
25 for a violation of this chapter, a rule or regulation of the  
26 department or a departmental order, the department, after a  
27 hearing, may assess a civil penalty regardless of whether the  
28 violation was willful. The penalty shall not exceed \$50,000 plus  
29 \$2,000 for each day during which the violation continues. In  
30 determining the amount, the department shall consider

1 willfulness of the violation, damage or injury to natural  
2 resources of this Commonwealth or their uses, endangerment of  
3 safety of others, the cost of remedying the harm, savings  
4 resulting to the violator as a result of the violation and any  
5 other relevant factor. When the department proposes to assess a  
6 civil penalty, it shall notify the person of the proposed amount  
7 of the penalty. The person charged with the penalty must, within  
8 30 days of notification, pay the proposed penalty in full or  
9 file an appeal of the assessment with the Environmental Hearing  
10 Board. Failure to comply with the time period under this section  
11 shall result in a waiver of all legal rights to contest the  
12 violation or the amount of the penalty. The civil penalty shall  
13 be payable to the Commonwealth and collectible in any manner  
14 provided at law for collection of debts. If a violator neglects  
15 or refuses to pay the penalty after demand, the amount, together  
16 with interest and costs that may accrue, shall become a lien in  
17 favor of the Commonwealth on the real and personal property of  
18 the violator, but only after the lien has been entered and  
19 docketed of record by the prothonotary of the county where the  
20 property is situated. The department may at any time transmit to  
21 the prothonotaries of the various counties certified copies of  
22 all liens. It shall be the duty of each prothonotary to enter  
23 and docket the liens of record in the prothonotary's office and  
24 index them as judgments are indexed, without requiring payment  
25 of costs as a condition precedent to entry.

26 § 3257. Existing rights and remedies preserved and cumulative  
27 remedies authorized.

28 Nothing in this chapter estops the Commonwealth or a district  
29 attorney from proceeding in a court of law or in equity to abate  
30 pollution forbidden under this chapter or a nuisance under

1 existing law. It is hereby declared to be the purpose of this  
2 chapter to provide additional and cumulative remedies to control  
3 activities related to drilling for, or production of, oil and  
4 gas in this Commonwealth, and nothing contained in this chapter  
5 abridges or alters rights of action or remedies existing, or  
6 which existed previously, in equity or under common or statutory  
7 law, criminal or civil. Neither this chapter, the grant of a  
8 permit under this chapter nor an act done by virtue of this  
9 chapter estops the Commonwealth, in exercising rights under  
10 common or decisional law or in equity, from suppressing a  
11 nuisance, abating pollution or enforcing common law or statutory  
12 rights. No court of this Commonwealth with jurisdiction to abate  
13 public or private nuisances shall be deprived of jurisdiction in  
14 an action to abate a private or public nuisance instituted by  
15 any person on grounds that the nuisance constitutes air or water  
16 pollution.

17 § 3258. Inspection and production of materials, witnesses,  
18 depositions and rights of entry.

19 (a) General rule.--The department may make inspections,  
20 conduct tests or sampling or examine books, papers and records  
21 pertinent to a matter under investigation under this chapter to  
22 determine compliance with this chapter. For this purpose, the  
23 duly authorized agents and employees of the department may at  
24 all reasonable times enter and examine any involved property,  
25 facility, operation or activity.

26 (a.1) Preoperation inspections.--The operator may not  
27 commence drilling activities until the department has conducted  
28 an inspection of the unconventional well site after the  
29 installation of erosion and sediment control measures. The  
30 department may conduct follow-up inspections of well sites and

1 related activities to determine compliance with the act.

2 (b) Access.--The owner, operator or other person in charge  
3 of a property, facility, operation or activity under this  
4 chapter, upon presentation of proper identification and purpose  
5 either for inspection or to remediate or otherwise respond to a  
6 well control emergency, by agents or employees of the  
7 department, shall provide free and unrestricted entry and  
8 access. Upon refusal, the agent or employee may obtain a search  
9 warrant or other suitable order authorizing entry and  
10 inspection, remediation or response. It shall be sufficient to  
11 justify issuance of a search warrant authorizing examination and  
12 inspection if:

13 (1) there is probable cause to believe that the object  
14 of the investigation is subject to regulation under this  
15 chapter; and

16 (2) access, examination or inspection is necessary to  
17 enforce the provisions of this chapter.

18 (c) Witnesses.--In any part of this Commonwealth, the  
19 department may subpoena witnesses, administer oaths, examine  
20 witnesses, take testimony and compel production of books,  
21 records, maps, plats, papers, documents and other writings  
22 pertinent to proceedings or investigations conducted by the  
23 department under this chapter. Upon refusal to obey a subpoena  
24 by any person and on application of the department, a court may  
25 enforce a subpoena in contempt proceedings. Fees for serving a  
26 subpoena shall be the same as those paid to sheriffs for similar  
27 services.

28 (d) Deposition.--The department or a party to a proceeding  
29 before the department may cause the deposition of a witness who  
30 resides in or outside of this Commonwealth to be taken in the

1 manner prescribed by law for taking depositions in civil  
2 actions.

3 (e) Witness fee.--Witnesses summoned before the department  
4 shall be paid the same fees as are paid to witnesses in courts  
5 of record of general jurisdiction. Witnesses whose depositions  
6 are taken under this chapter, and the officers taking those  
7 depositions, shall be entitled to the same fees as those paid  
8 for like services in court.

9 (f) Purchasers.--Upon request, a purchaser of oil or gas  
10 shall provide the department information necessary to determine  
11 ownership of facilities from which the purchaser obtained oil or  
12 gas. The information shall be kept confidential for a period of  
13 five years, and the department may utilize it in enforcement  
14 proceedings. The department may request information under this  
15 section only when a well does not comply with section 3211(h)  
16 (relating to well permits).

17 § 3259. Unlawful conduct.

18 It shall be unlawful for any person to:

19 (1) Drill, alter, operate or utilize an oil or gas well  
20 without a permit or registration from the department as  
21 required by this chapter or in violation of rules or  
22 regulations adopted under this chapter, orders of the  
23 department or a term or condition of a permit issued by the  
24 department.

25 (2) Conduct an activity related to drilling for, or  
26 production of, oil and gas:

27 (i) contrary to this chapter, rules or regulations  
28 adopted under this chapter, an order of the department or  
29 a term or condition of a permit issued by the department;  
30 or

1           (ii) in any manner as to create a public nuisance or  
2           adversely affect public health, safety, welfare or the  
3           environment.

4           (3) Refuse, obstruct, delay or threaten an agent or  
5           employee of the department acting in the course of lawful  
6           performance of a duty under this chapter, including, but not  
7           limited to, entry and inspection.

8           (4) Attempt to obtain a permit or identify a well as an  
9           orphan well by misrepresentation or failure to disclose all  
10          relevant facts.

11          (5) Cause abandonment of a well by removal of casing or  
12          equipment necessary for production without plugging the well  
13          in the manner prescribed under section 3220 (relating to  
14          plugging requirements), except that the owner or operator of  
15          a well may temporarily remove casing or equipment necessary  
16          for production, but only if it is part of the normal course  
17          of production activities.

18 § 3260. Collection of fines and penalties.

19          Fines and penalties shall be collectible in a manner provided  
20          by law for collection of debts. If a person liable to pay a  
21          penalty neglects or refuses to pay after demand, the amount,  
22          together with interest and costs that may accrue, shall be a  
23          judgment in favor of the Commonwealth on the person's property,  
24          but only after the judgment has been entered and docketed of  
25          record by the prothonotary of the county where the property is  
26          situated. The department may transmit to prothonotaries of the  
27          various counties certified copies of all judgments, and it shall  
28          be the duty of each prothonotary to enter and docket them of  
29          record in the prothonotary's office and index them as judgments  
30          are indexed, without requiring payment of costs as a condition



1 precedent to entry.

2 § 3261. Third party liability.

3 If a person other than a well operator renders a service or  
4 product to a well or well site, that person is jointly and  
5 severally liable with the well owner or operator for violations  
6 of this chapter arising out of and caused by the person's  
7 actions at the well or well site.

8 § 3262. Inspection reports.

9 The department shall post inspection reports on its publicly  
10 accessible Internet website. The inspection reports shall  
11 include:

12 (1) The nature and description of violations.

13 (2) The operator's written response to the violation, if  
14 available.

15 (3) The status of the violation.

16 (4) The remedial steps taken by the operator or the  
17 department to address the violation.

18 SUBCHAPTER F

19 MISCELLANEOUS PROVISIONS

20 Sec.

21 3271. Well plugging funds.

22 3272. Local ordinances.

23 3273. Effect on department authority.

24 3273.1. Relationship to solid waste and surface mining.

25 3274. Regulatory authority.

26 § 3271. Well plugging funds.

27 (a) Appropriation.--Fines, civil penalties and permit and  
28 registration fees collected under this chapter are appropriated  
29 to the department to carry out the purposes of this chapter.

30 (b) Surcharge.--To aid in indemnifying the Commonwealth for

1 the cost of plugging abandoned wells, a \$50 surcharge is added  
2 to the permit fee established by the department under section  
3 3211 (relating to well permits) for new wells. Money collected  
4 as a result of the surcharge shall be paid into a restricted  
5 revenue account in the State Treasury to be known as the  
6 Abandoned Well Plugging Fund and expended by the department to  
7 plug abandoned wells threatening the health and safety of  
8 persons or property or pollution of waters of this Commonwealth.

9 (c) Orphan Well Plugging Fund.--The following shall apply:

10 (1) A restricted revenue account to be known as the  
11 Orphan Well Plugging Fund is created. A \$100 surcharge for  
12 wells to be drilled for oil production and a \$200 surcharge  
13 for wells to be drilled for gas production are added to the  
14 permit fee established by the department under section 3211  
15 for new wells. The surcharges shall be placed in the Orphan  
16 Well Plugging Fund and expended by the department to plug  
17 orphan wells. If an operator rehabilitates a well abandoned  
18 by another operator or an orphan well, the permit fee and the  
19 surcharge for the well shall be waived.

20 (2) The department shall study its experience in  
21 implementing this section and shall report its findings to  
22 the Governor and the General Assembly by August 1, 1992. The  
23 report shall contain information relating to the balance of  
24 the fund, number of wells plugged, number of identified wells  
25 eligible for plugging and recommendations as to alternative  
26 funding mechanisms.

27 (3) Expenditures by the department for plugging orphan  
28 wells are limited to fees collected under this chapter. No  
29 money from the General Fund shall be expended for this  
30 purpose.

1 § 3272. Local ordinances.

2 Except with respect to ordinances adopted under the act of  
3 July 31, 1968 (P.L.805, No.247), known as the Pennsylvania  
4 Municipalities Planning Code, and the act of October 4, 1978  
5 (P.L.851, No.166), known as the Flood Plain Management Act, all  
6 local ordinances and enactments purporting to regulate oil and  
7 gas well operations regulated by this chapter are superseded by  
8 this chapter. No ordinances or enactments adopted under the  
9 Pennsylvania Municipalities Planning Code or the Flood Plain  
10 Management Act may contain provisions which impose conditions,  
11 requirements or limitations on the same features of oil and gas ←  
12 well operations regulated by this chapter or that accomplish the  
13 same purposes as set forth in this chapter. The THAT ARE ←  
14 INCONSISTENT WITH THIS CHAPTER. EXCEPT AS OTHERWISE PROVIDED IN  
15 27 PA.C.S. CH. 33 (RELATING TO OIL AND GAS), THE Commonwealth,  
16 by this chapter, preempts and supersedes the regulation of oil  
17 wells and gas wells.

18 § 3273. Effect on department authority.

19 This chapter does not affect, limit or impair any right or  
20 authority of the department under the act of June 22, 1937  
21 (P.L.1987, No.394), known as The Clean Streams Law; the act of  
22 January 8, 1960 (1959 P.L.2119, No.787), known as the Air  
23 Pollution Control Act; the act of November 26, 1978 (P.L.1375,  
24 No.325), known as the Dam Safety and Encroachments Act; or the  
25 act of July 7, 1980 (P.L.380, No.97), known as the Solid Waste  
26 Management Act.

27 § 3273.1. Relationship to solid waste and surface mining.

28 (a) General rule.--The obligation to obtain a permit and  
29 post a bond under Articles III and V of the act of July 7, 1980  
30 (P.L.380, No.97), known as the Solid Waste Management Act, and

1 to provide public notice under section 1905-A(b)(1)(v) of the  
2 act of April 9, 1929 (P.L.177, No.175), known as The  
3 Administrative Code of 1929, for any pit, impoundment, method or  
4 facility employed for the disposal, processing or storage of  
5 residual wastes generated by the drilling of an oil or gas well  
6 or from the production of wells which is located on the well  
7 site, shall be considered to have been satisfied if the owner or  
8 operator of the well meets the following conditions:

9 (1) the well is permitted under the requirements of  
10 section 3211 (relating to well permits) or registered under  
11 section 3213 (relating to well registration and  
12 identification);

13 (2) the owner or operator has satisfied the financial  
14 security requirements of section 3215 (relating to well  
15 location restrictions) by obtaining a surety or collateral  
16 bond for the well and well site; and

17 (3) the owner or operator maintains compliance with this  
18 chapter and applicable regulations of the Environmental  
19 Quality Board.

20 (b) Noncoal surface mining.--Obligations under the act of  
21 December 19, 1984 (P.L.1093, No.219), known as the Noncoal  
22 Surface Mining Conservation and Reclamation Act, or a rule or  
23 regulation promulgated thereunder, for any borrow area where  
24 minerals are extracted solely for the purpose of oil and gas  
25 well development, including access road construction, shall be  
26 considered to have been satisfied if the owner or operator of  
27 the well meets the conditions imposed under subsection (a)(1)  
28 and (2) and maintains compliance with this chapter and  
29 applicable regulations of the Environmental Quality Board.

30 (c) Solid Waste Management Act.--This section does not

1 diminish or otherwise affect duties or obligations of an owner  
2 or operator under the Solid Waste Management Act. This section  
3 does not apply to waste classified as hazardous waste under the  
4 Solid Waste Management Act or the Resource Conservation and  
5 Recovery Act of 1976 (Public Law 94-580, 90 Stat. 2795, 42  
6 U.S.C. § 6901 et seq.).

7 (d) Definition.--As used in this section and sections 3216  
8 (relating to well site restoration) and 3225 (relating to  
9 bonding), the term "well site" means areas occupied by all  
10 equipment or facilities necessary for or incidental to drilling,  
11 production or plugging a well.

12 § 3274. Regulatory authority.

13 (a) Existing regulations.--The rulemaking for 25 Pa. Code  
14 Ch. 78 (relating to oil and gas wells) promulgated at 41 Pa.B.  
15 805 (February 5, 2011), shall apply only to unconventional gas  
16 wells.

17 (b) New regulations.--The Environmental Quality Board shall  
18 adopt regulations to implement this chapter.

19 CHAPTER 33

20 LOCAL ORDINANCES RELATING TO

21 OIL AND GAS OPERATIONS

22 Sec.

23 3301. Scope of chapter.

24 3302. Definitions.

25 3303. Local ordinances.

26 3304. Review by Attorney General.

27 3305. Civil actions.

28 3306. Commonwealth Court masters.

29 3307. Attorney fees and costs.

30 3308. Sanction.

1 3309. Provisions of local ordinances.

2 3310. Applicability.

3 § 3301. Scope of chapter.

4 The purposes of this chapter are to:

5 (1) Allow municipalities to efficiently regulate oil and  
6 gas operations consistent with their authority under the act  
7 of July 31, 1968 (P.L.805, No.247), known as the Pennsylvania  
8 Municipalities Planning Code.

9 (2) Foster the expeditious and efficient handling of  
10 municipal oil and gas procedures.

11 (3) Clarify the role of all Federal and State agencies  
12 and municipal governments with regard to oil and gas  
13 development activities.

14 § 3302. Definitions.

15 The following words and phrases when used in this chapter  
16 shall have the meanings given to them in this section unless the  
17 context clearly indicates otherwise:

18 "Building." An occupied structure with walls and roof within  
19 which individuals live or customarily work.

20 "Environment acts." All statutes enacted by the Commonwealth  
21 relating to the protection of the environment or the protection  
22 of public health, safety and welfare, that are administered and  
23 enforced by the department or by another Commonwealth agency,  
24 including an independent agency, and all Federal statutes  
25 relating to the protection of the environment, to the extent  
26 those statutes regulate oil and gas operations.

27 "Local government." A county, city, borough, incorporated  
28 town or township of this Commonwealth.

29 "Local ordinance." An ordinance adopted by a local  
30 government that regulates oil and gas operations.

1 "MPC." The act of July 31, 1968 (P.L.805, No.247), known as  
2 the Pennsylvania Municipalities Planning Code.

3 "Oil and gas operations." The term includes the following:

4 (1) well location assessment, including seismic  
5 operations, well site preparation, construction, drilling,  
6 hydraulic fracturing and site restoration associated with an  
7 oil or gas well of any depth;

8 (2) water and other fluid storage or impoundment areas  
9 used exclusively for oil and gas operations;

10 (3) construction, installation, use, maintenance and  
11 repair of:

12 (i) oil and gas pipelines;

13 (ii) natural gas compressor stations; and

14 (iii) natural gas processing plants or facilities  
15 performing equivalent functions; and

16 (4) construction, installation, use, maintenance and  
17 repair of all equipment directly associated with activities  
18 specified in paragraphs (1), (2) and (3), to the extent that:

19 (i) the equipment is necessarily located at or  
20 immediately adjacent to a well site, impoundment area,  
21 oil and gas pipeline, natural gas compressor station or  
22 natural gas processing plant; and

23 (ii) the activities are authorized and permitted  
24 under the authority of a Federal or Commonwealth agency.

25 "Permitted use." A use which, upon submission of notice to  
26 and receipt of a permit issued by a zoning officer or equivalent  
27 official, is authorized to be conducted without restrictions  
28 other than those set forth in section 3309 (relating to  
29 provisions of local ordinances).

30 § 3303. Local ordinances.

1 (a) General rule.--A local ordinance may only be enacted  
2 pursuant to the MPC, the act of March 31, 1927 (P.L.98, No.69),  
3 referred to as the Second Class City Zoning Law, or the act of  
4 October 4, 1978 (P.L.851, No.166), known as the Flood Plain  
5 Management Act, as applicable, and shall provide for the  
6 reasonable development of minerals within the local government  
7 in accordance with the provisions of section 603(i) of the MPC  
8 and this chapter.

9 (b) Limitation.--Except as provided in this chapter, a local  
10 ordinance shall not conflict with and shall not regulate oil and  
11 gas operations covered by the environment acts, except to the  
12 extent that the environment acts provide the authority.

13 (c) Construction.--Nothing in this chapter shall be  
14 construed to impair or infringe on the preemption provisions of  
15 section 3272 (relating to local ordinances).

16 § 3304. Review by Attorney General.

17 (a) Request of owner or operator.--An owner or operator of  
18 an oil and gas operation, or any person having the right to  
19 royalty payments under a lease of oil or gas mineral rights, may  
20 request the Attorney General to review a local ordinance to  
21 determine whether it allows for the reasonable development of  
22 oil and gas resources in accordance with the provisions  
23 specifically addressed in this chapter, the MPC and judicial  
24 decisions of the Commonwealth.

25 (b) Preenactment review.--A local government may, prior to  
26 the enactment of a local ordinance, request the Attorney General  
27 to review the ordinance to determine whether it allows for the  
28 reasonable development of oil and gas resources in accordance  
29 with the provisions of Chapter 32 (relating to development), the  
30 MPC and judicial decisions of the Commonwealth.



1 (c) Time period for review.--Within 120 days of receiving a  
2 request under subsection (a) or (b), the Attorney General shall  
3 advise in writing the person that made the request whether or  
4 not the Attorney General determines that the local ordinance  
5 provides for the reasonable development of oil and gas reserves  
6 and provide a copy of the written determination to the affected  
7 local government.

8 § 3305. Civil actions.

9 (a) Attorney General.--The Attorney General may bring an  
10 action against a local government in Commonwealth Court to  
11 invalidate or enjoin the enforcement of a local ordinance that  
12 does not allow for the reasonable development of oil and gas  
13 resources.

14 (b) Private right of action.--

15 (1) Notwithstanding any provision of 42 Pa.C.S. Ch. 85  
16 Subch. C (relating to actions against local parties), any  
17 person who is aggrieved by the enactment or enforcement of a  
18 local ordinance that does not allow for the reasonable  
19 development of oil and gas resources in accordance with the  
20 provisions of section 3272 (relating to local ordinances) may  
21 bring an action in Commonwealth Court to invalidate the  
22 ordinance or enjoin its enforcement.

23 (2) An aggrieved person may proceed without first  
24 obtaining review of the ordinance by the Attorney General or  
25 may proceed after receiving such review if the Attorney  
26 General determines that the ordinance fails to comply with  
27 this chapter but declines to bring an action under subsection  
28 (a).

29 (3) In an action brought relating to the enactment or  
30 enforcement of a local ordinance, the determination of the

1 Attorney General made under section 3304 (relating to review  
2 by Attorney General) shall become part of the record before  
3 the court.

4 § 3306. Commonwealth Court masters.

5 (a) General rule.--The Commonwealth Court may promulgate  
6 rules for the selection and appointment of masters on a full-  
7 time or part-time basis to oversee actions brought under section  
8 3305 (relating to civil actions). A master must be a member of  
9 the bar of this Commonwealth. The number and compensation of  
10 masters shall be fixed by the Commonwealth Court, and their  
11 compensation shall be paid by the Commonwealth.

12 (b) Procedure.--

13 (1) The Commonwealth Court may direct that a hearing in  
14 an action brought under section 3305 be conducted in the  
15 first instance by the master in the manner provided for in  
16 this section.

17 (2) Upon the conclusion of a hearing before a master,  
18 the master shall transmit written findings and  
19 recommendations for disposition to the president judge.  
20 Prompt written notice and copies of the findings and  
21 recommendations shall be given to the parties to the  
22 proceeding.

23 (3) The findings and recommendations of the master shall  
24 become the findings and order of the Commonwealth Court upon  
25 written confirmation by the president judge. A rehearing may  
26 be ordered by the president judge at any time upon cause  
27 shown.

28 § 3307. Attorney fees and costs.

29 In an action brought under section 3305 (relating to civil  
30 actions), the court may do any of the following:

1           (1) If the court determines that the local government  
2 enacted or enforced a local ordinance with willful or  
3 reckless disregard for the limitation of authority  
4 established under State law, it may order the local  
5 government to pay the plaintiff reasonable attorney fees and  
6 other reasonable costs incurred by the plaintiff in  
7 connection with the action.

8           (2) If the court determines that the action brought by  
9 the plaintiff was frivolous or was brought without  
10 substantial justification in claiming that the local  
11 ordinance in question was contrary to the requirements of  
12 this chapter or Chapter 32 (relating to development), it may  
13 order the plaintiff to pay the local government reasonable  
14 attorney fees and other reasonable costs incurred by the  
15 local government in defending the action.

16 § 3308. Sanction.

17 If the Attorney General, the Commonwealth Court or the  
18 Supreme Court determines that a local ordinance fails to provide  
19 for the reasonable development of oil and gas resources, the  
20 local government enacting or enforcing the local ordinance shall  
21 be immediately ineligible to receive any funds collected under  
22 Chapter 23 (relating to drilling impact fee). The local  
23 government shall remain ineligible to receive funds under  
24 Chapter 23 until the local government amends or repeals its  
25 local ordinance in accordance with this chapter.

26 § 3309. Provisions of local ordinances.

27 In order to allow for the reasonable development of oil and  
28 gas resources, a local ordinance must, in addition to complying  
29 with this chapter, Chapter 32 (relating to development), the MPC  
30 and judicial decisions of the Commonwealth:

1           (1) Allow well and pipeline location assessment  
2 operations, including seismic operations and related  
3 activities conducted in accordance with all applicable  
4 Federal and State laws and regulations relating to the  
5 storage and use of explosives throughout every local  
6 government.

7           (2) Impose conditions, requirements or limitations on  
8 oil and gas operations that are no more stringent than  
9 similar conditions, requirements or limitations imposed on  
10 construction activities for other land development within the  
11 zoning district where the oil and gas operations are  
12 situated.

13           (3) Impose conditions, requirements or limitations on  
14 the height of permanent structures, setbacks from property  
15 lines, screening and fencing, lighting and noise relating to  
16 oil and gas operations that are no more stringent than  
17 similar conditions, requirements or limitations imposed on  
18 industrial uses or what is allowed within the particular  
19 zoning district within the local government where the oil and  
20 gas operations are situated or stipulated in or set forth in  
21 State statute or regulations pertaining to oil and gas  
22 operations.

23           (4) Have a review period for permitted uses that does  
24 not exceed 30 days for complete submissions or that exceeds  
25 120 days for conditional uses.

26           (5) Authorize oil and gas operations, other than  
27 activities in or at impoundment areas, compressor stations  
28 and processing plants, as a permitted use in all zoning  
29 districts.

30           (5.1) Notwithstanding section 3215 (relating to well

1 location restrictions) the oil and gas operations under  
2 paragraph (5) may be prohibited, or permitted only as a  
3 conditional use within a residential district where a well  
4 site cannot be placed so that the wellhead is at least 500  
5 feet from any existing building. In a residential district,  
6 all of the following apply:

7 (i) A well site may not be located so that the outer  
8 edge of the well pad is closer than 300 feet from an  
9 existing building.

10 (ii) Except as set forth in paragraph (5) and in  
11 this paragraph, oil and gas operations, other than the  
12 placement, use and repair of oil and gas pipelines, water  
13 pipelines, access roads or security facilities, may not  
14 take place within 300 feet of an existing building.

15 (6) Authorize impoundment areas used for oil and gas  
16 operations as a permitted use in all zoning districts,  
17 provided that the edge of any impoundment area shall not be  
18 located closer than 300 feet from an existing building.

19 (7) Authorize natural gas compressor stations as a  
20 permitted use in agriculture and industrial zoning districts  
21 and as a conditional use in all other zoning districts, if  
22 the natural gas compressor building meets the following  
23 conditions:

24 (i) is located 750 feet or more from the nearest  
25 existing building or 200 feet from the nearest lot line,  
26 whichever is greater, unless waived by the owner of the  
27 building or adjoining lot; and

28 (ii) does not exceed a noise standard of 60dbA at  
29 the nearest property line or the applicable standard  
30 imposed by Federal law, whichever is lesser.

1           (8) Authorize natural gas processing plants as a  
2 permitted use in an industrial zoning district and as  
3 conditional uses in agricultural zoning districts, if the  
4 natural gas processing plant buildings meet the following  
5 conditions:

6           (i) Unless there is a waiver by the owner of the  
7 building or adjoining lot, the natural gas processing  
8 plant building is located at the greater of:

9                   (A) at least 750 feet from the nearest existing  
10 building; or

11                   (B) at least 200 feet from the nearest lot line.

12           (ii) The noise level of the natural gas processing  
13 plant at the property line does not exceed the lesser of:

14                   (A) a noise standard of 60dbA; or

15                   (B) the applicable standard imposed by Federal  
16 law.

17           (9) Impose restrictions on vehicular access routes for  
18 overweight vehicles only as authorized under 75 Pa.C.S.  
19 (relating to vehicles) or the MPC.

20           (10) Does not attempt to impose limits or conditions on  
21 subterranean operations or hours of operation.

22 § 3310. Applicability.

23           This chapter shall apply to the enforcement of local  
24 ordinances existing on the date of this section and to the  
25 enactment or enforcement of local ordinances enacted on or after  
26 the effective date of this chapter.

27           Section 3. The addition of 27 Pa.C.S. Ch. 33 Subch. B is a  
28 continuation of the former act of December 15, 1955 (P.L.865,  
29 No.256), entitled "An act requiring rents and royalties from oil  
30 and gas leases of Commonwealth land to be placed in a special

1 fund to be used for conservation, recreation, dams and flood  
2 control; authorizing the Secretary of Forests and Waters to  
3 determine the need for and location of such projects and to  
4 acquire the necessary land." The following apply:

5 (1) Except as otherwise provided in 27 Pa.C.S. Ch. 33  
6 Subch. B, all activities initiated under the former act of  
7 December 15, 1955 (P.L.865, No.256) shall continue and remain  
8 in full force and effect and may be completed under 27  
9 Pa.C.S. Ch. 33 Subch. B. Resolutions, orders, regulations,  
10 rules and decisions which were made under the former act of  
11 December 15, 1955 (P.L.865, No.256) and which are in effect  
12 on the effective date of this section shall remain in full  
13 force and effect until revoked, vacated or modified under 27  
14 Pa.C.S. Ch. 33 Subch. B. Contracts, obligations and  
15 agreements entered into under the former act of December 15,  
16 1955 (P.L.865, No.256) are not affected nor impaired by the  
17 repeal of the former act of December 15, 1955 (P.L.865,  
18 No.256).

19 (2) Except as set forth in paragraph (3), any difference  
20 in language between 27 Pa.C.S. Ch. 33 Subch. B and the former  
21 act of December 15, 1955 (P.L.865, No.256) is intended only  
22 to conform to the style of the Pennsylvania Consolidated  
23 Statutes and is not intended to change or affect the  
24 legislative intent, judicial construction or administrative  
25 interpretation and implementation of the former act of  
26 December 15, 1955 (P.L.865, No.256).

27 (3) Paragraph (2) does not apply to 27 Pa.C.S. §§ 3301,  
28 3302(b)(3) and 3305.

29 Section 4. Repeals are as follows:

30 (1) The General Assembly declares that the repeal under

1 paragraph (2) is necessary to effectuate the addition of 27  
2 Pa.C.S. Ch. 33.

3 (2) The act of December 15, 1955 (P.L.865, No.256),  
4 entitled "An act requiring rents and royalties from oil and  
5 gas leases of Commonwealth land to be placed in a special  
6 fund to be used for conservation, recreation, dams, and flood  
7 control; authorizing the Secretary of Forests and Waters to  
8 determine the need for and location of such projects and to  
9 acquire the necessary land," is repealed.

10 (3) The General Assembly declares that the repeal under  
11 paragraph (4) is necessary to effectuate the addition of 58  
12 Pa.C.S. Ch. 32.

13 (4) The act of December 19, 1984 (P.L.1140, No.223),  
14 known as the Oil and Gas Act, is repealed.

15 Section 5. The addition of 58 Pa.C.S. Ch. 32 is a  
16 continuation of the act of December 19, 1984 (P.L.1140, No.223),  
17 known as the Oil and Gas Act. The following apply:

18 (1) Except as otherwise provided in 58 Pa.C.S. Ch. 32,  
19 all activities initiated under the Oil and Gas Act shall  
20 continue and remain in full force and effect and may be  
21 completed under 58 Pa.C.S. Ch. 32. Orders, regulations, rules  
22 and decisions which were made under the Oil and Gas Act and  
23 which are in effect on the effective date of section 2(2) of  
24 this act shall remain in full force and effect until revoked,  
25 vacated or modified under 58 Pa.C.S. Ch. 32. Contracts,  
26 obligations and collective bargaining agreements entered into  
27 under the Oil and Gas Act are not affected nor impaired by  
28 the repeal of the Oil and Gas Act.

29 (2) Except as set forth in paragraph (3), any difference  
30 in language between 58 Pa.C.S. Ch. 32 and the Oil and Gas Act



1 is intended only to conform to the style of the Pennsylvania  
2 Consolidated Statutes and is not intended to change or affect  
3 the legislative intent, judicial construction or  
4 administration and implementation of the Oil and Gas Act.

5 (3) Paragraph (2) does not apply to the addition of 58  
6 Pa.C.S. §§ 3203, 3211, 3212.1, 3215, 3215.1, 3216, 3218,  
7 3219.1, 3222, 3225, 3227, 3252, 3253, 3254.1, 3256, 3258,  
8 3262, 3272 and 3274.

9 (4) It is not the intent of the General Assembly to  
10 change, repeal or otherwise affect any of the provisions of  
11 the act of December 18, 1984 (P.L. 1069, No. 214), known as  
12 the Coal and Gas Resource Coordination Act, or to change,  
13 repeal or otherwise affect any of the provisions of the act  
14 of January 26, 2011 (P.L.7, No.2), entitled "An act amending  
15 the act of December 18, 1984 (P.L.1069, No.214), entitled 'An  
16 act requiring coordination of coal mine and gas well  
17 operators; authorizing Department of Environmental Resources  
18 enforcement powers; and providing penalties,' further  
19 providing for definitions, for permits, for permit  
20 application, for minimum distance between gas wells, for well  
21 class designation and for coordination of gas well drilling  
22 through active coal mines; providing for a pillar support  
23 study; and further providing for plugging gas wells  
24 penetrating workable coal seams, for penalties and for  
25 validity of other laws," which amended the Coal and Gas  
26 Resource Coordination Act.

27 Section 5.1. The addition of 58 Pa.C.S. § 3215(g)(2) shall  
28 expire three years after the effective date of this act.

29 Section 6. This act shall take effect in 60 days.