

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 473 Session of
2009

INTRODUCED BY HANNA, BELFANTI, BRENNAN, CONKLIN, DENLINGER,
DONATUCCI, GEORGE, HALUSKA, KORTZ, MAHONEY, READSHAW,
K. SMITH, WALKO AND WHITE, FEBRUARY 18, 2009

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
FEBRUARY 18, 2009

AN ACT

1 Amending the act of December 19, 1984 (P.L.1140, No.223),
2 entitled "An act relating to the development of oil and gas
3 and coal; imposing duties and powers on the Department of
4 Environmental Resources; imposing notification requirements
5 to protect landowners; and providing for definitions, for
6 various requirements to regulate the drilling and operation
7 of oil and gas wells, for gas storage reservoirs, for various
8 reporting requirements, including certain requirements
9 concerning the operation of coal mines, for well permits, for
10 well registration, for distance requirements, for well casing
11 requirements, for safety device requirements, for storage
12 reservoir obligations, for well bonding requirements, for a
13 Well Plugging Restricted Revenue Account to enforce oil and
14 gas well plugging requirements, for the creation of an Oil
15 and Gas Technical Advisory Board, for oil and gas well
16 inspections, for enforcement and for penalties," in
17 preliminary provisions, further providing for definitions;
18 and, in enforcement and remedies, providing for securing
19 compensation for surface damage.

20 The General Assembly of the Commonwealth of Pennsylvania
21 hereby enacts as follows:

22 Section 1. The definition of "department" in section 103 of
23 the act of December 19, 1984 (P.L.1140, No.223), known as the
24 Oil and Gas Act, is amended to read:

25 Section 103. Definitions.

1 The following words and phrases when used in this act shall
2 have the meanings given to them in this section unless the
3 context clearly indicates otherwise:

4 * * *

5 "Department." The Department of Environmental [Resources]
6 Protection of the Commonwealth.

7 * * *

8 Section 2. The act is amended by adding a section to read:

9 Section 512. Procedure for securing compensation for damage to
10 surface landowner's property caused by oil or gas
11 drilling or exploration; duties of the department.

12 (a) (1) A surface landowner who believes that the
13 drilling, well installation or exploration for oil or gas has
14 caused damage to any structure, surface ground or vegetation
15 on his property and who wishes compensation for any damage,
16 including compensation for the loss of use of his property,
17 shall notify the owner of the drill, well operator or oil or
18 gas explorer.

19 (2) If the owner of the drill, well operator or oil or
20 gas explorer agrees that oil or gas drilling, well
21 installation or exploration damaged such structure, ground or
22 vegetation, he shall compensate the surface landowner for the
23 damage or reach an agreement either prior to drilling or
24 exploration or after the damage has occurred.

25 (b) If the parties are unable to agree within six months of
26 the date of notice as to the cause of the damage or the
27 reasonable cost of compensation, the surface landowner may file
28 a claim in writing with the department, a copy of which shall be
29 filed within two years of the date damage to the building,
30 surface ground, trees or vegetation occurred.

1 (c) (1) The department shall make an investigation of a
2 claim within 30 days of the receipt of the claim.

3 (2) The department shall, within 60 days following the
4 investigation, make a determination in writing as to whether
5 the drilling, well installation or exploration of oil or gas
6 caused the damage and, if so, the reasonable cost of
7 repairing or replacing the damage, including the reasonable
8 cost of the loss of use to the surface landowner's property.

9 (3) If the department finds the damage to be caused by
10 drilling or exploration, it shall issue a written order
11 directing the owner of the drill, well operator or oil or gas
12 explorer to make repairs within six months or a longer period
13 if the department finds that occurrence of subsequent damage
14 may occur to the same building as a result of drilling or
15 exploration.

16 (d) (1) In no event shall the owner, well operator or
17 oil or gas explorer be liable for repairs or compensation in
18 an amount exceeding the cost of replacement of the damaged
19 structure, ground or vegetation, including the cost of loss
20 of use to the property.

21 (2) Notwithstanding the provisions of paragraph (1), the
22 surface landowner shall be entitled to additional payment for
23 reasonable, incidental costs agreed to by the parties or
24 approved by the department.

25 (e) If the owner of the drill, well operator or oil or gas
26 explorer fails to repair or compensate for any damage within six
27 months or a longer period as the department has established or
28 fails to perfect an appeal of the department's order directing
29 repair or compensation, the department shall issue an order and
30 take any actions that are necessary to compel compliance with

1 the requirements of this section, including, but not limited to,
2 a cessation order or a permit revocation.

3 Section 3. This act shall take effect in 60 days.