

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1100 Session of 2011

INTRODUCED BY SCARNATI, CORMAN, BROWNE, VOGEL, SMUCKER, D. WHITE, BRUBAKER, PIPPY, MENSCH, YAW AND PICCOLA, MAY 16, 2011

SENATOR CORMAN, APPROPRIATIONS, RE-REPORTED AS AMENDED, NOVEMBER 14, 2011

AN ACT

1 Amending Title 58 (Oil and Gas) of the Pennsylvania Consolidated
2 Statutes, consolidating the Oil and Gas Act with
3 modifications relating to definitions, well permits, well
4 location restrictions, protection of water supplies, well
5 reporting requirements, bonding, enforcement orders,
6 penalties, civil penalties and local ordinances; providing
7 for containment, for transportation regulations, for
8 emergency response information, FOR NOTIFICATION TO PUBLIC
9 DRINKING WATER SYSTEMS, FOR CORROSION CONTROL REQUIREMENTS,
10 FOR GATHERING LINES and for model ordinance; providing for a
11 model zoning ordinance; and making a related repeal.



12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. Title 58 of the Pennsylvania Consolidated
15 Statutes is amended by adding parts to read:

PART I

(RESERVED)

PART II

OVERSIGHT AND DEVELOPMENT

Chapter

23. DRILLING IMPACT FEE



1 25. NATURAL GAS ENERGY DEVELOPMENT PROGRAM

2 31. (Reserved)

3 32. Regulation

4 ~~33. Model Ordinance~~

5 33. LOCAL ORDINANCES RELATING TO OIL AND GAS OPERATIONS



6 CHAPTER 23

7 DRILLING IMPACT FEE

8 SEC.

9 2301. DEFINITIONS.

10 2302. SHALE IMPACT FEE.

11 2303. ADMINISTRATION.

12 2304. WELL INFORMATION.

13 2305. DUTIES OF DEPARTMENT.

14 2306. (RESERVED).

15 2307. COMMISSION.

16 2308. ENFORCEMENT.

17 2309. ENFORCEMENT ORDERS.

18 2310. ADMINISTRATIVE PENALTIES.

19 2311. (RESERVED).

20 2312. RECORDKEEPING.

21 2313. EXAMINATIONS.

22 2314. DISTRIBUTION OF FEE.

23 2315. STATEWIDE INITIATIVES.

24 2316. DIVERSE BUSINESS PARTICIPATION.

25 2317. APPLICABILITY.

26 2318. EXPIRATION.

27 § 2301. DEFINITIONS.

28 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER

29 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE

30 CONTEXT CLEARLY INDICATES OTHERWISE:

1 "ACCOUNT." THE SHALE IMPACT ACCOUNT.

2 "AVERAGE ANNUAL PRICE OF NATURAL GAS." THE ARITHMETIC MEAN
3 OF THE NEW YORK MERCANTILE EXCHANGE (NYMEX) HENRY HUB SETTLED
4 PRICE ON THE LAST TRADING DAY OF EACH MONTH OF A CALENDAR YEAR
5 AS REPORTED BY THE WALL STREET JOURNAL FOR THE 12-MONTH PERIOD
6 ENDING DECEMBER 31.

7 "COMMISSION." THE PENNSYLVANIA PUBLIC UTILITY COMMISSION.

8 "DEPARTMENT." THE DEPARTMENT OF ENVIRONMENTAL PROTECTION OF
9 THE COMMONWEALTH.

10 "ELIGIBLE APPLICANT." A COUNTY, MUNICIPALITY, COUNCIL OF
11 GOVERNMENTS, WATERSHED ORGANIZATION, INSTITUTION OF HIGHER
12 EDUCATION, NONPROFIT ORGANIZATION OR AN AUTHORIZED ORGANIZATION
13 AS DEFINED IN 27 PA.C.S. § 6103 (RELATING TO DEFINITIONS).

14 "FEE." THE SHALE IMPACT FEE IMPOSED UNDER SECTION 2302
15 (RELATING TO SHALE IMPACT FEE).

16 "HIGHWAY MILEAGE." THE NUMBER OF MILES OF PUBLIC ROADS AND
17 STREETS MOST RECENTLY CERTIFIED BY THE DEPARTMENT OF
18 TRANSPORTATION AS ELIGIBLE FOR DISTRIBUTION OF LIQUID FUELS
19 FUNDS UNDER THE ACT OF JUNE 1, 1956 (1955 P.L.1944, NO.655),
20 REFERRED TO AS THE LIQUID FUELS TAX MUNICIPAL ALLOCATION LAW.

21 "MUNICIPALITY." A BOROUGH, CITY, TOWN OR TOWNSHIP.

22 "NATURAL GAS." A FOSSIL FUEL CONSISTING OF A MIXTURE OF
23 HYDROCARBON GASES, PRIMARILY METHANE, AND POSSIBLY INCLUDING
24 ETHANE, PROPANE, BUTANE, PENTANE, CARBON DIOXIDE, OXYGEN,
25 NITROGEN AND HYDROGEN SULFIDE AND OTHER GAS SPECIES. THE TERM
26 INCLUDES NATURAL GAS FROM OIL FIELDS KNOWN AS ASSOCIATED GAS OR
27 CASING HEAD GAS, NATURAL GAS FIELDS KNOWN AS NONASSOCIATED GAS,
28 COAL BEDS, SHALE BEDS AND OTHER FORMATIONS. THE TERM DOES NOT
29 INCLUDE COAL BED METHANE.

30 "NATURAL GAS LIQUIDS." HYDROCARBONS IN NATURAL GAS WHICH ARE

1 SEPARATED FROM THE GAS AS LIQUIDS THROUGH THE PROCESS OF
2 ABSORPTION, CONDENSATION, ADSORPTION OR OTHER METHODS IN GAS
3 PROCESSING OF CYCLING PLANTS.

4 "NUMBER OF PRODUCING UNCONVENTIONAL WELLS." THE MOST RECENT
5 NUMERICAL COUNT OF PRODUCING UNCONVENTIONAL WELLS ON THE
6 INVENTORY MAINTAINED AND PROVIDED TO THE COMMISSION BY THE
7 DEPARTMENT AS OF THE LAST DAY OF EACH MONTH.

8 "PRICE ADJUSTMENT FACTOR." ONE OF A RANGE OF NUMERICAL
9 VALUES USED TO COMPUTE THE ADJUSTED FEE UNDER SECTION 2302
10 (RELATING TO SHALE IMPACT FEE). THE PRICE ADJUSTMENT FACTOR
11 SHALL BE DETERMINED AS FOLLOWS:

12 (1) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS LESS
13 THAN \$5.01, THE PRICE ADJUSTMENT FACTOR SHALL BE 1.0.

14 (2) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS \$5.01
15 TO \$6.00, THE PRICE ADJUSTMENT FACTOR SHALL BE 1.25.

16 (3) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS \$6.01
17 TO \$7.00, THE PRICE ADJUSTMENT FACTOR SHALL BE 1.75.

18 (4) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS \$7.01
19 TO \$8.00, THE PRICE ADJUSTMENT FACTOR SHALL BE 2.25.

20 (5) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS
21 GREATER THAN \$8.00, THE PRICE ADJUSTMENT FACTOR SHALL BE
22 2.75.

23 "PRODUCER." A PERSON OR ITS SUBSIDIARY, AFFILIATE OR HOLDING
24 COMPANY THAT HOLDS A PERMIT OR OTHER AUTHORIZATION TO ENGAGE IN
25 THE BUSINESS OF SEVERING NATURAL GAS FOR SALE, PROFIT OR
26 COMMERCIAL USE FROM AN UNCONVENTIONAL WELL IN THIS COMMONWEALTH.
27 THE TERM SHALL NOT INCLUDE A PRODUCER THAT SEVERS NATURAL GAS
28 FROM A SITE USED TO STORE NATURAL GAS THAT DID NOT ORIGINATE
29 FROM THE SITE.

30 "STRIPPER WELL." A GAS WELL INCAPABLE OF PRODUCING MORE THAN

1 90,000 CUBIC FEET OF GAS PER DAY DURING A CALENDAR MONTH,
2 INCLUDING PRODUCTION FROM ALL ZONES AND MULTILATERAL WELL BORES
3 AT A SINGLE WELL, WITHOUT REGARD TO WHETHER THE PRODUCTION IS
4 SEPARATELY METERED.

5 "UNCONVENTIONAL FORMATION." A GEOLOGICAL SHALE FORMATION
6 EXISTING BELOW THE BASE OF THE ELK SANDSTONE OR ITS GEOLOGIC
7 EQUIVALENT STRATIGRAPHIC INTERVAL WHERE NATURAL GAS GENERALLY
8 CANNOT BE PRODUCED AT ECONOMIC FLOW RATES OR IN ECONOMIC VOLUMES
9 EXCEPT BY VERTICAL OR HORIZONTAL WELL BORES STIMULATED BY
10 HYDRAULIC FRACTURE TREATMENTS OR BY USING MULTILATERAL WELL
11 BORES OR OTHER TECHNIQUES TO EXPOSE MORE OF THE FORMATION OF THE
12 WELL BORE.

13 "UNCONVENTIONAL WELL." A BORE HOLE DRILLED OR BEING DRILLED
14 FOR THE PURPOSE OF OR TO BE USED FOR THE PRODUCTION OF NATURAL
15 GAS FROM AN UNCONVENTIONAL FORMATION.

16 "VERTICAL GAS WELL." AN UNCONVENTIONAL WELL WHICH BEGINS AS
17 A VERTICAL LINEAR BORE AND IS NOT INTENTIONALLY DEVIATED FROM
18 THE VERTICAL.

19 § 2302. SHALE IMPACT FEE.

20 (A) IMPOSITION.--BEGINNING JANUARY 1, 2011, THERE SHALL BE
21 IMPOSED A SHALE IMPACT FEE ON EACH UNCONVENTIONAL WELL PRODUCING
22 NATURAL GAS IN THIS COMMONWEALTH. THE FEE UNDER THIS SECTION
23 SHALL NOT APPLY TO A STRIPPER WELL.

24 (B) COMPONENTS.--PRIOR TO THE ADJUSTMENT UNDER SUBSECTION
25 (C), THE FEE SHALL CONSIST OF AN ANNUAL BASE FEE FOR EACH
26 UNCONVENTIONAL WELL AS FOLLOWS:

27 (1) FOR THE FIRST YEAR OF PRODUCTION, THE FEE SHALL BE
28 \$50,000.

29 (2) FOR THE SECOND YEAR OF PRODUCTION, THE FEE SHALL BE
30 \$40,000.

1 (3) FOR THE THIRD YEAR OF PRODUCTION, THE FEE SHALL BE
2 \$30,000.

3 (4) FOR THE FOURTH YEAR OF PRODUCTION THROUGH THE TENTH
4 YEAR OF PRODUCTION, THE FEE SHALL BE \$20,000.

5 (5) FOR THE ELEVENTH YEAR OF PRODUCTION THROUGH THE
6 TWENTIETH YEAR, THE FEE SHALL BE \$10,000.

7 (C) ANNUAL ADJUSTMENT.--

8 (1) THE FEE SHALL BE ADJUSTED BY MULTIPLYING THE BASE
9 FEE AMOUNT TIMES THE PRICE ADJUSTMENT FACTOR ROUNDED TO THE
10 NEAREST \$100.

11 (2) THE FEE FOR A VERTICAL GAS WELL SHALL NOT BE SUBJECT
12 TO ADJUSTMENT UNDER PARAGRAPH (1) AND SHALL BE COMPUTED AS
13 FOLLOWS:

14 (I) THE FEE FOR A VERTICAL GAS WELL CAPABLE OF
15 PRODUCING MORE THAN 180,000 CUBIC FEET OF GAS PER DAY
16 DURING A CALENDAR MONTH SHALL BE ONE-HALF OF THE AMOUNTS
17 UNDER SUBSECTION (B).

18 (II) THE FEE FOR A VERTICAL GAS WELL CAPABLE OF
19 PRODUCING MORE THAN 90,000 BUT LESS THAN 180,000 CUBIC
20 FEET OF GAS PER DAY DURING A CALENDAR MONTH SHALL BE ONE-
21 FOURTH OF THE AMOUNTS UNDER SUBSECTION (B).

22 (D) RE-STIMULATED WELLS.--

23 (1) A WELL WHICH AFTER RE-STIMULATION QUALIFIES AS A
24 STRIPPER WELL SHALL NOT BE SUBJECT TO THIS SUBSECTION.

25 (2) THE YEAR IN WHICH THE RE-STIMULATION OCCURS SHALL BE
26 CONSIDERED THE FIRST YEAR OF PRODUCTION FOR PURPOSES OF
27 IMPOSING THE FEE UNDER SUBSECTION (B) IF:

28 (I) A PRODUCER RE-STIMULATES A PREVIOUSLY STIMULATED
29 UNCONVENTIONAL WELL FOLLOWING THE TENTH YEAR OF
30 PRODUCTION BY:

1 (A) HYDRAULIC FRACTURE TREATMENTS;
2 (B) USING ADDITIONAL MULTILATERAL WELL BORES;
3 (C) DRILLING DEEPER INTO AN UNCONVENTIONAL
4 FORMATION; OR
5 (D) OTHER TECHNIQUES TO EXPOSE MORE OF THE
6 FORMATION OF THE WELL BORE; AND
7 (II) THE RE-STIMULATION RESULTS IN A SUBSTANTIAL
8 INCREASE IN PRODUCTION.

9 (3) AS USED IN THIS SUBSECTION, THE TERM "SUBSTANTIAL
10 INCREASE IN PRODUCTION" MEANS AN INCREASE IN PRODUCTION
11 AMOUNTING TO MORE THAN 90,000 CUBIC FEET OF GAS PER DAY
12 DURING A CALENDAR MONTH.

13 (D.1) REOPENED WELLS.--IF A PRODUCER REOPENS A PREVIOUSLY
14 CAPPED WELL OR UNCONVENTIONAL WELL AND PLACES THE WELL INTO
15 PRODUCTION, ALL OF THE FOLLOWING APPLY:

16 (1) THE YEARS DURING WHICH THE WELL OR UNCONVENTIONAL
17 WELL WAS CAPPED SHALL NOT BE CONSIDERED AS A YEAR OF
18 PRODUCTION.

19 (2) THE FEE SHALL BE REINSTATED BASED UPON THE ACTUAL
20 YEAR OF PRODUCTION UNDER SUBSECTIONS (B) AND (D).

21 (E) CESSATION.--PAYMENTS OF THE ANNUAL FEE SHALL CEASE UPON
22 CERTIFICATION TO THE DEPARTMENT BY THE OPERATOR THAT THE
23 UNCONVENTIONAL WELL HAS CEASED PRODUCTION AND HAS BEEN PLUGGED
24 ACCORDING TO THE REGULATIONS ESTABLISHED BY THE DEPARTMENT.

25 § 2303. ADMINISTRATION.

26 (A) COMMISSION.--ON OR BEFORE JANUARY 31 OF EACH YEAR, THE
27 COMMISSION SHALL CALCULATE AND DETERMINE THE AVERAGE ANNUAL
28 PRICE OF NATURAL GAS FOR THE PREVIOUS CALENDAR YEAR.

29 (B) NOTICE.--NOTICE OF THE AVERAGE ANNUAL PRICE AND THE
30 ANNUAL FEE SCHEDULE PER WELL SHALL BE PROVIDED TO PRODUCERS

1 OPERATING UNCONVENTIONAL WELLS AND SHALL BE PUBLISHED ON THE
2 COMMISSION'S INTERNET WEBSITE.

3 (C) METHOD.--IF PUBLICATION OF THE NEW YORK MERCANTILE
4 EXCHANGE (NYMEX) HENRY HUB SETTLED PRICE IS DISCONTINUED, THE
5 AVERAGE ANNUAL PRICE OF NATURAL GAS THEN IN EFFECT SHALL NOT BE
6 ADJUSTED UNTIL A COMPARABLE METHOD TO DETERMINE THE AVERAGE
7 ANNUAL PRICE OF NATURAL GAS IS ADOPTED BY COMMISSION RULE. IF
8 THE BASE DATA OF THE NYMEX HENRY HUB SETTLED PRICE IS
9 SUBSTANTIALLY REVISED, THE COMMISSION SHALL MAKE APPROPRIATE
10 CHANGES TO ENSURE THAT THE AVERAGE ANNUAL PRICE OF NATURAL GAS
11 IS REASONABLY CONSISTENT WITH THE RESULT THAT WOULD HAVE BEEN
12 ATTAINED HAD THE SUBSTANTIAL REVISION NOT BEEN MADE.

13 (D) REPORT.--BY MARCH 1, 2012, AND EACH MARCH 1 THEREAFTER,
14 EACH PRODUCER SHALL SUBMIT A PRODUCTION REPORT TO THE COMMISSION
15 ON A FORM PRESCRIBED BY THE COMMISSION FOR THE PREVIOUS CALENDAR
16 YEAR. THE REPORT SHALL INCLUDE THE FOLLOWING:

17 (1) ANNUAL UNITS OF PRODUCTION SEVERED BY THE PRODUCER
18 FOR EACH UNCONVENTIONAL WELL FOR THE REPORTING PERIOD.

19 (2) THE NUMBER OF PRODUCING UNCONVENTIONAL WELLS OF A
20 PRODUCER IN EACH COUNTY AND MUNICIPALITY.

21 (E) FEE FOR 2011.--FOR CALENDAR YEAR 2011, THE FEE DUE SHALL
22 BE PAID AS FOLLOWS:

23 (1) FIFTY PERCENT OF THE FEE SHALL BE PAID BY MARCH 1,
24 2012.

25 (2) FIFTY PERCENT OF THE FEE SHALL BE PAID BY JUNE 1,
26 2012.

27 (F) FEE DUE DATE.--EXCEPT AS PROVIDED UNDER SUBSECTION (E),
28 THE FEE SHALL BE DUE ON MARCH 1 AND EACH YEAR THEREAFTER. THE
29 FEE SHALL BECOME DELINQUENT IF NOT REMITTED TO THE COMMISSION BY
30 THE DUE DATE.

1 (G) COSTS OF COMMISSION.--

2 (1) WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS
3 SUBSECTION, AND EACH YEAR THEREAFTER, THE COMMISSION MAY
4 IMPOSE AN ANNUAL FEE NOT TO EXCEED \$100 PER WELL ON EACH
5 REPORTING PRODUCER TO PAY FOR THE ACTUAL COSTS OF THE
6 COMMISSION TO ADMINISTER AND ENFORCE THIS CHAPTER AND CHAPTER
7 25 (RELATING TO NATURAL GAS ENERGY DEVELOPMENT PROGRAM).

8 (2) BY MARCH 31, 2012 AND EACH YEAR THEREAFTER, THE
9 COMMISSION SHALL DETERMINE FOR THE PRECEDING CALENDAR YEAR
10 THE AMOUNT OF ITS ACTUAL EXPENDITURES DIRECTLY ATTRIBUTABLE
11 TO THE ADMINISTRATION AND ENFORCEMENT OF THIS CHAPTER AND
12 CHAPTER 25. THE COMMISSION SHALL SUBTRACT THE AMOUNT OF FEES
13 COLLECTED UNDER PARAGRAPH (1) IN THAT CALENDAR YEAR AND
14 ASSESS ANY REMAINING BALANCE ON ALL PRODUCERS SUBJECT TO THE
15 IMPACT FEE IN PROPORTION TO THE NUMBER OF WELLS OWNED BY EACH
16 PRODUCER.

17 (3) EACH PRODUCER SHALL BE ASSESSED FOR AND SHALL PAY TO
18 THE COMMISSION THAT PROPORTION OF THE AMOUNT DETERMINED UNDER
19 PARAGRAPH (2) AND ALLOCATED TO THE PRODUCER FOR THAT YEAR.

20 § 2304. WELL INFORMATION.

21 (A) LIST.--WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS
22 SECTION, THE DEPARTMENT SHALL PROVIDE THE COMMISSION WITH A LIST
23 OF ALL UNCONVENTIONAL WELLS THAT HAVE RECEIVED A DRILLING PERMIT
24 FROM THE DEPARTMENT. THE DEPARTMENT SHALL UPDATE THE LIST AND
25 PROVIDE IT TO THE COMMISSION ON A MONTHLY BASIS.

26 (B) UPDATES.--A PRODUCER SUBJECT TO THE FEE SHALL NOTIFY THE
27 COMMISSION OF THE FOLLOWING WITHIN 30 DAYS AFTER A CALENDAR
28 MONTH IN WHICH THE CHANGE OCCURS:

29 (1) THE INITIATION OF PRODUCTION AT AN UNCONVENTIONAL
30 WELL.

1 (2) THE REMOVAL OF AN UNCONVENTIONAL WELL FROM
2 PRODUCTION.

3 § 2305. DUTIES OF DEPARTMENT.

4 (A) CONFIRMATION OF PAYMENT.--PRIOR TO ISSUING A PERMIT TO
5 DRILL AN UNCONVENTIONAL WELL IN THIS COMMONWEALTH, THE
6 DEPARTMENT SHALL DETERMINE WHETHER THE PRODUCER HAS PAID ALL
7 FEEES OWED FOR AN EXISTING WELL UNDER SECTION 2302 (RELATING TO
8 SHALE IMPACT FEE).

9 (B) PROHIBITION.--THE DEPARTMENT SHALL NOT ISSUE A PERMIT TO
10 DRILL AN UNCONVENTIONAL WELL UNTIL ALL FEES OWED UNDER SECTION
11 2302 THAT ARE NOT IN DISPUTE HAVE BEEN PAID TO THE COMMISSION.

12 (C) PAYMENT OF FEES.--THE COMMISSION SHALL PROVIDE THE
13 DEPARTMENT WITH INFORMATION NECESSARY TO DETERMINE THAT THE
14 PRODUCER HAS PAID ALL FEES OWED FOR AN EXISTING WELL UNDER
15 SECTION 2302.

16 § 2306. (RESERVED).

17 § 2307. COMMISSION.

18 (A) POWERS.--THE COMMISSION SHALL HAVE THE AUTHORITY TO MAKE
19 ALL INQUIRIES AND DETERMINATIONS NECESSARY TO CALCULATE AND
20 COLLECT THE FEE IMPOSED UNDER THIS CHAPTER, INCLUDING, IF
21 APPLICABLE, INTEREST AND PENALTIES.

22 (B) NOTICE.--IF THE COMMISSION DETERMINES THAT THE FEE HAS
23 NOT BEEN PAID IN FULL, IT MAY ISSUE A NOTICE OF THE AMOUNT DUE
24 AND DEMAND FOR PAYMENT AND SHALL SET FORTH THE BASIS FOR THE
25 DETERMINATION.

26 (C) ADDRESS.--NOTICE OF FAILURE TO PAY THE CORRECT FEE SHALL
27 BE SENT TO THE PRODUCER VIA CERTIFIED MAIL.

28 (D) TIME PERIOD.--EXCEPT AS SET FORTH IN SUBSECTION (E), THE
29 COMMISSION MAY CHALLENGE THE AMOUNT OF A FEE PAID WITHIN THREE
30 YEARS AFTER THE DATE THE REPORT UNDER SECTION 2303 (D) (RELATING

1 TO ADMINISTRATION) IS FILED.

2 (E) INTENT.--IF NO REPORT IS FILED OR A PRODUCER FILES A
3 FALSE OR FRAUDULENT REPORT WITH THE INTENT TO EVADE THE FEE, AN
4 ASSESSMENT OF THE AMOUNT OWED MAY BE MADE AT ANY TIME.

5 § 2308. ENFORCEMENT.

6 (A) ASSESSMENT.--THE COMMISSION SHALL ASSESS INTEREST ON ANY
7 DELINQUENT FEE AT THE RATE DETERMINED UNDER SECTION 2307(A)
8 (RELATING TO COMMISSION).

9 (B) PENALTY.--IN ADDITION TO THE ASSESSED INTEREST UNDER
10 SUBSECTION (A), IF A PRODUCER FAILS TO MAKE TIMELY PAYMENT OF
11 THE FEE, THERE SHALL BE ADDED TO THE AMOUNT OF THE FEE DUE A
12 PENALTY OF 5% OF THE AMOUNT OF THE FEE IF FAILURE TO FILE A
13 TIMELY PAYMENT IS FOR NOT MORE THAN ONE MONTH, WITH AN
14 ADDITIONAL 5% PENALTY FOR EACH ADDITIONAL MONTH, OR FRACTION OF
15 A MONTH, DURING WHICH THE FAILURE CONTINUES, NOT TO EXCEED 25%
16 IN THE AGGREGATE.

17 (C) TIMELY PAYMENT.--IF THE COMMISSION DETERMINES THAT A
18 PRODUCER HAS NOT MADE A TIMELY PAYMENT OF THE FEE, THE
19 COMMISSION SHALL SEND A WRITTEN NOTICE OF THE AMOUNT OF THE
20 DEFICIENCY TO THE PRODUCER WITHIN 30 DAYS FROM THE DATE OF
21 DETERMINING THE DEFICIENCY. THE COMMISSION SHALL NOTIFY THE
22 DEPARTMENT OF A PRODUCER THAT HAS FAILED TO PAY THE FEE FOR ANY
23 PRODUCING WELL UNDER SECTION 2302 (RELATING TO SHALE IMPACT
24 FEE). IF THE PRODUCER DOES NOT HAVE A PENDING APPEAL RELATED TO
25 PAYMENT OF THE FEE IN PROCESS, THE DEPARTMENT SHALL SUSPEND THE
26 PERMIT FOR THAT WELL UNTIL THE FEE HAS BEEN PAID.

27 (D) REMEDIES.--THE REMEDIES PROVIDED UNDER THIS CHAPTER ARE
28 IN ADDITION TO ANY OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY.

29 (E) LIEN.--FINES, FEES, INTEREST AND PENALTIES SHALL BE
30 COLLECTIBLE AS AUTHORIZED BY LAW FOR THE COLLECTION OF DEBTS. IF

1 THE PRODUCER LIABLE TO PAY AN AMOUNT NEGLECTS OR REFUSES TO PAY
2 THE AMOUNT AFTER DEMAND, THE AMOUNT, TOGETHER WITH COSTS, SHALL
3 BE A JUDGMENT IN FAVOR OF THE COMMONWEALTH UPON THE PROPERTY OF
4 THE PRODUCER, BUT ONLY AFTER THE JUDGMENT HAS BEEN ENTERED,
5 DOCKETED AND RECORDED BY THE PROTHONOTARY OF THE COUNTY WHERE
6 THE PROPERTY IS SITUATED. THE COMMONWEALTH SHALL TRANSMIT TO THE
7 PROTHONOTARIES OF THE RESPECTIVE COUNTIES CERTIFIED COPIES OF
8 THE JUDGMENTS. EACH PROTHONOTARY SHALL ENTER, DOCKET AND RECORD
9 THE RECORD IN THE PROTHONOTARY'S OFFICE AND INDEX EACH JUDGMENT,
10 WITHOUT REQUIRING THE PAYMENT OF COSTS AS A CONDITION PRECEDENT
11 TO THE ENTRY OF THE JUDGMENT.

12 § 2309. ENFORCEMENT ORDERS.

13 (A) ISSUANCE.--THE COMMISSION MAY ISSUE AN ORDER AS
14 NECESSARY TO ENFORCE THIS CHAPTER AND CHAPTER 25 (RELATING TO
15 NATURAL GAS ENERGY DEVELOPMENT PROGRAM). AN ORDER ISSUED UNDER
16 THIS SECTION SHALL TAKE EFFECT UPON NOTICE, UNLESS THE ORDER
17 SPECIFIES OTHERWISE. AN APPEAL OF THE ORDER MUST BE IN
18 ACCORDANCE WITH 66 PA.C.S. CH. 3 SUBCH. B (RELATING TO
19 INVESTIGATIONS AND HEARINGS).

20 (B) COMPLIANCE.--A PRODUCER HAS THE DUTY TO COMPLY WITH AN
21 ORDER ISSUED UNDER SUBSECTION (A). IF A PRODUCER FAILS TO
22 PROCEED DILIGENTLY OR TO COMPLY WITH AN ORDER WITHIN THE TIME
23 REQUIRED, THE PRODUCER SHALL BE GUILTY OF CONTEMPT AND SHALL BE
24 PUNISHED BY THE COURT IN AN APPROPRIATE MANNER. THE COMMISSION
25 SHALL APPLY TO THE COMMONWEALTH COURT, WHICH SHALL HAVE
26 JURISDICTION OVER MATTERS RELATING TO CONTEMPT.

27 § 2310. ADMINISTRATIVE PENALTIES.

28 (A) CIVIL PENALTIES.--IN ADDITION TO ANY OTHER PROCEEDING
29 AUTHORIZED BY LAW, THE COMMISSION MAY ASSESS A CIVIL PENALTY NOT
30 TO EXCEED \$2,500 PER VIOLATION UPON A PRODUCER FOR THE VIOLATION

1 OF THIS CHAPTER. IN DETERMINING THE AMOUNT OF THE PENALTY, THE
2 COMMISSION SHALL CONSIDER THE WILLFULNESS OF THE VIOLATION AND
3 OTHER RELEVANT FACTORS.

4 (B) SEPARATE OFFENSE.--EACH VIOLATION FOR EACH SEPARATE DAY
5 AND EACH VIOLATION OF THIS CHAPTER SHALL CONSTITUTE A SEPARATE
6 OFFENSE.

7 (C) LIMITATION OF ACTIONS.--NOTWITHSTANDING ANY LIMITATION
8 IN 42 PA.C.S. CH. 55 SUBCH. B (RELATING TO CIVIL ACTIONS AND
9 PROCEEDINGS) AN ACTION UNDER THIS SECTION MUST BE BROUGHT WITHIN
10 THREE YEARS OF THE VIOLATION.

11 (D) PROCEDURE.--A PENALTY UNDER THIS CHAPTER IS SUBJECT TO
12 66 PA.C.S. CH. 3 SUBCH. B (RELATING TO INVESTIGATIONS AND
13 HEARINGS).

14 § 2311. (RESERVED).

15 § 2312. RECORDKEEPING.

16 A PRODUCER LIABLE FOR THE FEE UNDER THIS CHAPTER OR THE
17 ASSESSMENT UNDER CHAPTER 25 (RELATING TO NATURAL GAS ENERGY
18 DEVELOPMENT PROGRAM) SHALL KEEP RECORDS, MAKE REPORTS AND COMPLY
19 WITH REGULATIONS OF THE COMMISSION. THE COMMISSION MAY REQUIRE A
20 PRODUCER TO MAKE REPORTS, RENDER STATEMENTS OR KEEP RECORDS AS
21 THE COMMISSION DEEMS SUFFICIENT TO DETERMINE LIABILITY FOR THE
22 FEE.

23 § 2313. EXAMINATIONS.

24 (A) ACCESS.--THE COMMISSION OR ITS AUTHORIZED AGENTS OR
25 REPRESENTATIVES SHALL:

26 (1) HAVE ACCESS TO THE RELEVANT BOOKS, PAPERS AND
27 RECORDS OF ANY PRODUCER IN ORDER TO VERIFY THE ACCURACY AND
28 COMPLETENESS OF A REPORT FILED OR FEE PAID UNDER THIS CHAPTER
29 OR THE ASSESSMENT UNDER CHAPTER 25 (RELATING TO NATURAL GAS
30 ENERGY DEVELOPMENT PROGRAM).

1 (2) REQUIRE THE PRESERVATION OF ALL RELEVANT BOOKS,
2 PAPERS AND RECORDS FOR AN APPROPRIATE PERIOD NOT TO EXCEED
3 THREE YEARS FROM THE END OF THE CALENDAR YEAR TO WHICH THE
4 RECORDS RELATE.

5 (3) EXAMINE ANY EMPLOYEE OF A PRODUCER UNDER OATH
6 CONCERNING THE SEVERING OF NATURAL GAS SUBJECT TO A FEE OR
7 ANY MATTER RELATING TO THE ENFORCEMENT OF THIS CHAPTER.

8 (4) COMPEL THE PRODUCTION OF RELEVANT BOOKS, PAPERS AND
9 RECORDS AND THE ATTENDANCE OF ALL INDIVIDUALS WHO THE
10 COMMISSION BELIEVES TO HAVE KNOWLEDGE OF RELEVANT MATTERS IN
11 ACCORDANCE WITH 66 PA.C.S. (RELATING TO PUBLIC UTILITIES).

12 (B) UNAUTHORIZED DISCLOSURE.--ANY INFORMATION OBTAINED BY
13 THE COMMISSION AS A RESULT OF ANY REPORT, EXAMINATION,
14 INVESTIGATION OR HEARING UNDER THIS CHAPTER SHALL BE
15 CONFIDENTIAL AND SHALL NOT BE DISCLOSED, EXCEPT FOR OFFICIAL
16 PURPOSES, IN ACCORDANCE WITH JUDICIAL ORDER OR AS OTHERWISE
17 PROVIDED BY LAW. A COMMISSIONER OR AN EMPLOYEE OF THE COMMISSION
18 WHO WITHOUT AUTHORIZATION DIVULGES CONFIDENTIAL INFORMATION
19 SHALL BE SUBJECT TO DISCIPLINARY ACTION BY THE COMMISSION.

20 § 2314. DISTRIBUTION OF FEE.

21 (A) ESTABLISHMENT.--THERE IS HEREBY ESTABLISHED A RESTRICTED
22 RECEIPTS ACCOUNT IN THE STATE TREASURY TO BE KNOWN AS THE SHALE
23 IMPACT ACCOUNT TO BE ADMINISTERED BY THE COMMISSION.

24 (B) DEPOSIT.--ALL FEES IMPOSED UNDER THIS CHAPTER SHALL BE
25 DEPOSITED INTO THE ACCOUNT AND ARE HEREBY APPROPRIATED FOR THE
26 PURPOSE SET FORTH IN THIS SECTION.

27 (C) CONSERVATION DISTRICTS.--

28 (1) FROM FEES COLLECTED FOR 2011, \$2,500,000 FROM THE
29 ACCOUNT SHALL BE DISTRIBUTED TO COUNTY CONSERVATION
30 DISTRICTS.

1 (2) FROM FEES COLLECTED FOR 2012 AND EVERY YEAR
2 THEREAFTER, \$5,000,000 FROM THE ACCOUNT SHALL BE DISTRIBUTED
3 TO COUNTY CONSERVATION DISTRICTS.

4 (3) FUNDS UNDER PARAGRAPHS (1) AND (2) SHALL BE
5 DISTRIBUTED IN ACCORDANCE WITH THE FOLLOWING:

6 (I) ONE-HALF SHALL BE DISTRIBUTED BY DIVIDING THE
7 AMOUNT EQUALLY AMONG CONSERVATION DISTRICTS FOR ANY USE
8 CONSISTENT WITH THE ACT OF MAY 15, 1945 (P.L.547,
9 NO.217), KNOWN AS THE CONSERVATION DISTRICT LAW.

10 (II) ONE-HALF SHALL BE DISTRIBUTED BY THE STATE
11 CONSERVATION COMMISSION IN A MANNER CONSISTENT WITH THE
12 CONSERVATION DISTRICT LAW AND THE PROVISIONS OF THE STATE
13 CONSERVATION COMMISSION'S CONSERVATION DISTRICT FUND
14 ALLOCATION PROGRAM--STATEMENT OF POLICY UNDER 25 PA. CODE
15 CH. 83 SUBCH. B (RELATING TO CONSERVATION DISTRICT FUND
16 ALLOCATION PROGRAM--STATEMENT OF POLICY).

17 (C.1) OFFICE OF THE STATE FIRE COMMISSIONER.--

18 (1) FROM FEES COLLECTED FOR 2011 AND EACH YEAR
19 THEREAFTER, \$1,500,000 SHALL BE ANNUALLY DISTRIBUTED TO THE
20 OFFICE OF THE STATE FIRE COMMISSIONER.

21 (2) FUNDS UNDER PARAGRAPH (1) SHALL BE USED FOR THE
22 FOLLOWING PURPOSES:

23 (I) TO SUPPORT TRAINING PROGRAMS FOR EMERGENCY
24 RESPONDERS LOCATED IN COUNTIES WHERE DRILLING OF
25 MARCELLUS SHALE OR OTHER UNCONVENTIONAL RESOURCES OCCURS.

26 (II) TO PROVIDE GRANTS TO FIRE DEPARTMENTS FOR THE
27 PURCHASE OF SPECIAL EQUIPMENT REQUIRED TO RESPOND TO
28 FIRES AND OTHER EMERGENCIES RELATED TO THE PRODUCTION,
29 PROCESSING AND TRANSPORTATION OF NATURAL GAS OR NATURAL
30 GAS LIQUIDS.

1 (C.2) PENNSYLVANIA FISH AND BOAT COMMISSION.--FROM FEES
2 COLLECTED FOR 2011 AND EACH YEAR THEREAFTER, \$1,500,000 SHALL BE
3 DISTRIBUTED TO THE PENNSYLVANIA FISH AND BOAT COMMISSION FOR
4 COSTS RELATING TO THE REVIEW OF APPLICATIONS FOR PERMITS TO
5 DRILL UNCONVENTIONAL WELLS.

6 (D) DISTRIBUTION.--FOLLOWING DISTRIBUTION UNDER SUBSECTIONS
7 (C), (C.1) AND (C.2), FOR 2011 AND EVERY YEAR THEREAFTER, 55% OF
8 THE REVENUES REMAINING IN THE ACCOUNT ARE HEREBY APPROPRIATED
9 UNDER THIS SUBSECTION FOR THE PURPOSES AUTHORIZED UNDER
10 SUBSECTION (E). LOCAL GOVERNMENTS ARE ENCOURAGED, WHERE
11 APPROPRIATE, TO JOINTLY FUND PROJECTS THAT CROSS JURISDICTIONAL
12 LINES. THE COMMISSION, AFTER MAKING A DISBURSEMENT UNDER
13 SUBSECTION (D.2), SHALL DISTRIBUTE THE REMAINING FUNDS
14 APPROPRIATED UNDER THIS SUBSECTION AS FOLLOWS WITHIN 45 DAYS
15 AFTER THE DATE THE FEE IS DUE:

16 (1) THIRTY-SIX PERCENT SHALL BE DISTRIBUTED TO COUNTIES
17 IN WHICH PRODUCING UNCONVENTIONAL WELLS ARE LOCATED. THE
18 AMOUNT FOR EACH COUNTY SHALL BE DETERMINED USING A FORMULA
19 THAT DIVIDES THE NUMBER OF PRODUCING UNCONVENTIONAL WELLS IN
20 THE COUNTY BY THE NUMBER OF PRODUCING UNCONVENTIONAL WELLS IN
21 THIS COMMONWEALTH AND MULTIPLIES THE RESULTING PERCENTAGE BY
22 THE AMOUNT AVAILABLE FOR DISTRIBUTION UNDER THIS PARAGRAPH.

23 (2) THIRTY-SEVEN PERCENT SHALL BE DISTRIBUTED TO
24 MUNICIPALITIES IN WHICH PRODUCING UNCONVENTIONAL WELLS ARE
25 LOCATED. THE AMOUNT FOR EACH MUNICIPALITY SHALL BE DETERMINED
26 USING A FORMULA THAT DIVIDES THE NUMBER OF PRODUCING
27 UNCONVENTIONAL GAS WELLS IN THE MUNICIPALITY BY THE NUMBER OF
28 PRODUCING UNCONVENTIONAL WELLS IN THIS COMMONWEALTH AND
29 MULTIPLIES THE RESULTING PERCENTAGE BY THE AMOUNT AVAILABLE
30 FOR DISTRIBUTION UNDER THIS PARAGRAPH.

1 (3) TWENTY-SEVEN PERCENT SHALL BE DISTRIBUTED TO
2 MUNICIPALITIES LOCATED IN A COUNTY IN WHICH PRODUCING
3 UNCONVENTIONAL WELLS ARE LOCATED. THE AMOUNT AVAILABLE FOR
4 DISTRIBUTION IN EACH COUNTY SHALL BE DETERMINED BY DIVIDING
5 THE NUMBER OF PRODUCING UNCONVENTIONAL WELLS IN THE COUNTY BY
6 THE NUMBER OF PRODUCING UNCONVENTIONAL WELLS IN THIS
7 COMMONWEALTH AND MULTIPLYING THE RESULTING PERCENTAGE BY THE
8 AMOUNT AVAILABLE FOR DISTRIBUTION UNDER THIS PARAGRAPH. THE
9 RESULTING AMOUNT AVAILABLE FOR DISTRIBUTION IN EACH COUNTY IN
10 WHICH PRODUCING UNCONVENTIONAL WELLS ARE LOCATED SHALL BE
11 DISTRIBUTED TO EACH MUNICIPALITY IN THE COUNTY AS FOLLOWS:

12 (I) FIFTY PERCENT OF THE AMOUNT AVAILABLE UNDER THIS
13 PARAGRAPH SHALL BE DISTRIBUTED TO MUNICIPALITIES IN WHICH
14 PRODUCING UNCONVENTIONAL WELLS ARE LOCATED AND TO
15 MUNICIPALITIES THAT ARE EITHER CONTIGUOUS WITH A
16 MUNICIPALITY IN WHICH PRODUCING UNCONVENTIONAL WELLS ARE
17 LOCATED OR ARE LOCATED WITHIN FIVE LINEAR MILES OF A
18 PRODUCING UNCONVENTIONAL WELL. THE DISTRIBUTION SHALL BE
19 MADE AS FOLLOWS:

20 (A) ONE-HALF SHALL BE DISTRIBUTED TO EACH
21 ELIGIBLE MUNICIPALITY USING A FORMULA THAT DIVIDES
22 THE POPULATION OF THE ELIGIBLE MUNICIPALITY WITHIN
23 THE COUNTY BY THE TOTAL POPULATION OF ALL ELIGIBLE
24 MUNICIPALITIES WITHIN THE COUNTY AND MULTIPLIES THE
25 RESULTING PERCENTAGE BY THE AMOUNT ALLOCATED TO THE
26 COUNTY UNDER THIS SUBPARAGRAPH.

27 (B) ONE-HALF SHALL BE DISTRIBUTED TO EACH
28 ELIGIBLE MUNICIPALITY USING A FORMULA THAT DIVIDES
29 THE HIGHWAY MILEAGE OF THE ELIGIBLE MUNICIPALITY
30 WITHIN THE COUNTY BY THE TOTAL HIGHWAY MILEAGE OF ALL

1 ELIGIBLE MUNICIPALITIES WITHIN THE COUNTY AND
2 MULTIPLIES THE RESULTING PERCENTAGE BY THE AMOUNT
3 ALLOCATED TO THE COUNTY UNDER THIS SUBPARAGRAPH.

4 (II) FIFTY PERCENT OF THE AMOUNT AVAILABLE UNDER
5 THIS PARAGRAPH SHALL BE DISTRIBUTED TO EACH MUNICIPALITY
6 IN THE COUNTY REGARDLESS OF WHETHER AN UNCONVENTIONAL
7 WELL IS LOCATED IN THE MUNICIPALITY AS FOLLOWS:

8 (A) ONE-HALF SHALL BE DISTRIBUTED TO EACH
9 MUNICIPALITY USING A FORMULA THAT DIVIDES THE
10 POPULATION OF THE MUNICIPALITY WITHIN THE COUNTY BY
11 THE TOTAL POPULATION OF THE COUNTY AND MULTIPLIES THE
12 RESULTING PERCENTAGE BY THE AMOUNT ALLOCATED TO THE
13 COUNTY UNDER THIS SUBPARAGRAPH.

14 (B) ONE-HALF SHALL BE DISTRIBUTED TO EACH
15 MUNICIPALITY USING A FORMULA THAT DIVIDES THE HIGHWAY
16 MILEAGE OF THE MUNICIPALITY WITHIN THE COUNTY BY THE
17 TOTAL HIGHWAY MILEAGE OF THE COUNTY AND MULTIPLIES
18 THE RESULTING PERCENTAGE BY THE AMOUNT ALLOCATED TO
19 THE COUNTY UNDER THIS SUBPARAGRAPH.

20 (D.1) RESTRICTION.--THE AMOUNT ALLOCATED TO EACH DESIGNATED
21 MUNICIPALITY UNDER SUBSECTION (D) SHALL NOT EXCEED 50% OF ITS
22 TOTAL BUDGET FOR FISCAL YEAR 2011, ADJUSTED FOR INFLATION IN
23 SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-
24 LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE
25 INCREASE, IF ANY, IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR
26 TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING
27 MONEY SHALL BE RETAINED BY THE COMMISSION AND DEPOSITED IN THE
28 HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND.

29 (D.2) HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT
30 FUND.--

1 (1) FROM FEES COLLECTED FOR 2011, \$2,500,000 FROM THE
2 ACCOUNT SHALL BE DISTRIBUTED TO THE HOUSING AFFORDABILITY AND
3 REHABILITATION ENHANCEMENT FUND UNDER THE ACT OF NOVEMBER 23,
4 2010 (P.L.1035, NO.105), ENTITLED "AN ACT AMENDING THE ACT OF
5 DECEMBER 3, 1959 (P.L.1688, NO.621), ENTITLED, AS AMENDED,
6 'AN ACT TO PROMOTE THE HEALTH, SAFETY AND WELFARE OF THE
7 PEOPLE OF THE COMMONWEALTH BY BROADENING THE MARKET FOR
8 HOUSING FOR PERSONS AND FAMILIES OF LOW AND MODERATE INCOME
9 AND ALLEVIATING SHORTAGES THEREOF, AND BY ASSISTING IN THE
10 PROVISION OF HOUSING FOR ELDERLY PERSONS THROUGH THE CREATION
11 OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AS A PUBLIC
12 CORPORATION AND GOVERNMENT INSTRUMENTALITY; PROVIDING FOR THE
13 ORGANIZATION, MEMBERSHIP AND ADMINISTRATION OF THE AGENCY,
14 PRESCRIBING ITS GENERAL POWERS AND DUTIES AND THE MANNER IN
15 WHICH ITS FUNDS ARE KEPT AND AUDITED, EMPOWERING THE AGENCY
16 TO MAKE HOUSING LOANS TO QUALIFIED MORTGAGORS UPON THE
17 SECURITY OF INSURED AND UNINSURED MORTGAGES, DEFINING
18 QUALIFIED MORTGAGORS AND PROVIDING FOR PRIORITIES AMONG
19 TENANTS IN CERTAIN INSTANCES, PRESCRIBING INTEREST RATES AND
20 OTHER TERMS OF HOUSING LOANS, PERMITTING THE AGENCY TO
21 ACQUIRE REAL OR PERSONAL PROPERTY, PERMITTING THE AGENCY TO
22 MAKE AGREEMENTS WITH FINANCIAL INSTITUTIONS AND FEDERAL
23 AGENCIES, PROVIDING FOR THE PURCHASE BY PERSONS OF LOW AND
24 MODERATE INCOME OF HOUSING UNITS, AND APPROVING THE SALE OF
25 HOUSING UNITS, PERMITTING THE AGENCY TO SELL HOUSING LOANS,
26 PROVIDING FOR THE PROMULGATION OF REGULATIONS AND FORMS BY
27 THE AGENCY, PRESCRIBING PENALTIES FOR FURNISHING FALSE
28 INFORMATION, EMPOWERING THE AGENCY TO BORROW MONEY UPON ITS
29 OWN CREDIT BY THE ISSUANCE AND SALE OF BONDS AND NOTES AND BY
30 GIVING SECURITY THEREFOR, PERMITTING THE REFUNDING,

1 REDEMPTION AND PURCHASE OF SUCH OBLIGATIONS BY THE AGENCY,
2 PRESCRIBING REMEDIES OF HOLDERS OF SUCH BONDS AND NOTES,
3 EXEMPTING BONDS AND NOTES OF THE AGENCY, THE INCOME
4 THEREFROM, AND THE INCOME AND REVENUES OF THE AGENCY FROM
5 TAXATION, EXCEPT TRANSFER, DEATH AND GIFT TAXES; MAKING SUCH
6 BONDS AND NOTES LEGAL INVESTMENTS FOR CERTAIN PURPOSES; AND
7 INDICATING HOW THE ACT SHALL BECOME EFFECTIVE, ' PROVIDING FOR
8 THE PENNSYLVANIA HOUSING AFFORDABILITY AND REHABILITATION
9 ENHANCEMENT PROGRAM; AND ESTABLISHING THE HOUSING
10 AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND." FROM FEES
11 COLLECTED FOR 2012, AND EACH YEAR THEREAFTER, \$5,000,000
12 SHALL BE ANNUALLY DISTRIBUTED TO THE HOUSING AFFORDABILITY
13 AND REHABILITATION ENHANCEMENT FUND.

14 (2) FUNDS UNDER PARAGRAPH (1) SHALL BE USED FOR THE
15 FOLLOWING PURPOSES:

16 (I) TO PROVIDE SUPPORT TO PROJECTS IN A COUNTY IN
17 WHICH PRODUCING UNCONVENTIONAL WELLS ARE LOCATED THAT
18 INCREASE AVAILABILITY OF QUALITY, SAFE, AFFORDABLE
19 HOUSING FOR LOW-INCOME AND MODERATE-INCOME INDIVIDUALS OR
20 FAMILIES, PERSONS WITH DISABILITIES OR ELDERLY PERSONS.

21 (II) TO PROVIDE RENTAL ASSISTANCE IN A COUNTY IN
22 WHICH PRODUCING UNCONVENTIONAL WELLS ARE LOCATED TO
23 PERSONS OR FAMILIES WHOSE HOUSEHOLD INCOME DOES NOT
24 EXCEED THE AREA MEDIAN INCOME.

25 (3) NO LESS THAN 50% OF THE FUNDS AVAILABLE UNDER THIS
26 SUBSECTION SHALL BE USED IN FIFTH, SIXTH, SEVENTH AND EIGHTH
27 CLASS COUNTIES.

28 (E) USE OF FUNDS.--A COUNTY OR MUNICIPALITY RECEIVING FUNDS
29 UNDER SUBSECTION (D) SHALL USE THE FUNDS RECEIVED ONLY FOR THE
30 FOLLOWING PURPOSES ASSOCIATED WITH NATURAL GAS PRODUCTION FROM

1 UNCONVENTIONAL WELLS WITHIN THE COUNTY OR MUNICIPALITY:

2 (1) CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND REPAIR
3 OF ROADWAYS, BRIDGES AND PUBLIC INFRASTRUCTURE.

4 (2) WATER, STORM WATER AND SEWER SYSTEMS, INCLUDING
5 CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND REPAIR.

6 (3) EMERGENCY PREPAREDNESS AND PUBLIC SAFETY, INCLUDING
7 LAW ENFORCEMENT AND FIRE SERVICES, HAZARDOUS MATERIAL
8 RESPONSE, 911, EQUIPMENT ACQUISITION AND OTHER SERVICES.

9 (4) ENVIRONMENTAL PROGRAMS, INCLUDING TRAILS, PARKS AND
10 RECREATION, OPEN SPACE, FLOOD PLAIN MANAGEMENT, CONSERVATION
11 DISTRICTS AND AGRICULTURAL PRESERVATION.

12 (5) PRESERVATION AND RECLAMATION OF SURFACE AND
13 SUBSURFACE WATERS AND WATER SUPPLIES.

14 (6) TAX REDUCTIONS, INCLUDING HOMESTEAD EXCLUSIONS.

15 (7) PROJECTS TO INCREASE THE AVAILABILITY OF SAFE AND
16 AFFORDABLE HOUSING TO RESIDENTS.

17 (8) RECORDS MANAGEMENT, GEOGRAPHIC INFORMATION SYSTEMS
18 AND INFORMATION TECHNOLOGY.

19 (9) THE DELIVERY OF SOCIAL SERVICES.

20 (10) JUDICIAL SERVICES.

21 (11) FOR DEPOSIT INTO THE COUNTY OR MUNICIPALITY'S
22 CAPITAL RESERVE FUND IF THE FUNDS ARE USED SOLELY FOR A
23 PURPOSE SET FORTH IN THIS SUBSECTION.

24 (F) REPORTING.--

25 (1) THE COMMISSION SHALL SUBMIT AN ANNUAL REPORT ON ALL
26 FUNDS IN THE ACCOUNT. THE REPORT SHALL INCLUDE A DETAILED
27 LISTING OF ALL DEPOSITS AND EXPENDITURES OF THE FUND AND BE
28 SUBMITTED TO THE CHAIRMAN AND THE MINORITY CHAIRMAN OF THE
29 APPROPRIATIONS COMMITTEE OF THE SENATE, THE CHAIRMAN AND THE
30 MINORITY CHAIRMAN OF THE ENVIRONMENTAL RESOURCES AND ENERGY

1 COMMITTEE OF THE SENATE, THE CHAIRMAN AND THE MINORITY
2 CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF
3 REPRESENTATIVES AND THE CHAIRMAN AND THE MINORITY CHAIRMAN OF
4 THE ENVIRONMENTAL RESOURCES AND ENERGY COMMITTEE OF THE HOUSE
5 OF REPRESENTATIVES. THE REPORT SHALL BE SUBMITTED BY
6 SEPTEMBER 30, 2012, AND BY SEPTEMBER 30 OF EACH YEAR
7 THEREAFTER.

8 (2) ALL COUNTIES AND MUNICIPALITIES RECEIVING FUNDS FROM
9 THE ACCOUNT UNDER THIS SECTION SHALL SUBMIT INFORMATION TO
10 THE COMMISSION ON A FORM PREPARED BY THE COMMISSION THAT SETS
11 FORTH THE AMOUNT AND USE OF THE FUNDS RECEIVED IN THE PRIOR
12 CALENDAR YEAR. THE FORM SHALL SET FORTH THAT THE FUNDS
13 RECEIVED WERE COMMITTED TO A SPECIFIC PROJECT OR USE AS
14 AUTHORIZED IN THIS SECTION. THE REPORTS SHALL BE PUBLISHED
15 ANNUALLY ON THE COUNTY OR MUNICIPALITY'S PUBLICLY ACCESSIBLE
16 INTERNET WEBSITE.

17 § 2315. STATEWIDE INITIATIVES.

18 (A) DEPOSIT AND DISTRIBUTION.--FOLLOWING DISTRIBUTION UNDER
19 SECTION 2314(C), (C.1) AND (C.2) (RELATING TO DISTRIBUTION OF
20 FEE), 45% OF THE REMAINING REVENUE IN THE ACCOUNT SHALL BE
21 DISTRIBUTED BY THE COMMISSION WITHIN 45 DAYS AFTER THE DATE THE
22 FEE IS DUE AS FOLLOWS:

23 (1) TWENTY-FIVE PERCENT TO THE COMMONWEALTH FINANCING
24 AUTHORITY FOR GRANTS TO ELIGIBLE APPLICANTS FOR THE
25 FOLLOWING:

26 (I) ACID MINES: DAMAGE, ABATEMENT AND CLEANUP AND
27 MINE RECLAMATION, WITH PRIORITY GIVEN TO PROJECTS WHICH
28 RECYCLE AND TREAT WATER FOR USE IN DRILLING OPERATIONS.

29 (II) ORPHAN OR ABANDONED OIL AND GAS WELL PLUGGING.

30 (III) COMPLYING WITH THE ACT OF JANUARY 24, 1966

1 (1965 P.L.1535, NO.537), KNOWN AS THE PENNSYLVANIA SEWAGE
2 FACILITIES ACT.

3 (IV) PLANNING ACQUISITION, DEVELOPMENT,
4 REHABILITATION AND REPAIR OF GREENWAYS, RECREATIONAL
5 TRAILS, OPEN SPACE, PARKS AND BEAUTIFICATION PROJECTS.

6 (V) PROGRAMS TO ESTABLISH BASELINE WATER QUALITY
7 DATA ON PRIVATE WATER SUPPLIES.

8 (VI) WATERSHED PROGRAMS AND RELATED PROJECTS.

9 (2) TWENTY-FIVE PERCENT TO THE HIGHWAY BRIDGE
10 IMPROVEMENT RESTRICTED ACCOUNT IN THE MOTOR LICENSE FUND TO
11 COUNTIES TO BE DISTRIBUTED TO FUND THE COST OF THE
12 REPLACEMENT OR REPAIR OF LOCALLY OWNED AT-RISK DETERIORATED
13 BRIDGES. FUNDS SHALL BE DISTRIBUTED TO COUNTIES
14 PROPORTIONATELY BASED ON THE POPULATION OF THE COUNTY AS
15 FOLLOWS:

16 (I) IN EACH COUNTY, THE DISTRIBUTION SHALL BE
17 ACCORDING TO THE FOLLOWING FORMULA:

18 (A) DIVIDE:

19 (I) THE TOTAL POPULATION OF THE COUNTY; BY

20 (II) THE TOTAL POPULATION OF THE

21 COMMONWEALTH;

22 (B) EXPRESS THE QUOTIENT UNDER CLAUSE (A) AS A
23 PERCENTAGE.

24 (C) MULTIPLY:

25 (I) THE PERCENTAGE UNDER CLAUSE (B); BY

26 (II) THE AMOUNT OF MONEY TO BE DISTRIBUTED

27 UNDER THIS PARAGRAPH.

28 (II) EACH COUNTY SHALL RECEIVE A MINIMUM OF \$40,000.

29 (III) THE DEPARTMENT OF TRANSPORTATION SHALL RELEASE
30 MONEY UNDER THIS PARAGRAPH UPON APPROVAL OF A PLAN

1 SUBMITTED BY A COUNTY OR MUNICIPALITY TO REPAIR AN AT-
2 RISK DETERIORATED BRIDGE. THE PLAN MUST INCLUDE FUNDING
3 FOR REPLACEMENT OR REPAIR.

4 (IV) A COUNTY OF THE FIRST OR SECOND CLASS MAY
5 SUBMIT A PLAN TO USE ITS FUNDS UNDER THIS PARAGRAPH FOR
6 AT-RISK DETERIORATED BRIDGES OWNED BY A PUBLIC
7 TRANSPORTATION AUTHORITY.

8 (3) TWENTY-FIVE PERCENT FOR WATER AND SEWER PROJECTS.
9 FIFTY PERCENT OF THE AMOUNT DISTRIBUTED UNDER THIS PARAGRAPH
10 SHALL BE TRANSMITTED TO THE PENNSYLVANIA INFRASTRUCTURE
11 INFRASTRUCTURE INVESTMENT AUTHORITY TO BE USED IN ACCORDANCE
12 WITH THE ACT OF MARCH 1, 1988 (P.L.82, NO.16), KNOWN AS THE
13 PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY ACT. FIFTY
14 PERCENT OF THE AMOUNT DISTRIBUTED UNDER THIS PARAGRAPH SHALL
15 BE DISTRIBUTED TO THE H2O PA PROGRAM TO BE USED BY THE
16 COMMONWEALTH FINANCING AUTHORITY IN ACCORDANCE WITH SECTION
17 301 OF THE ACT OF JULY 9, 2008 (P.L.908, NO.63), KNOWN AS THE
18 H2O PA ACT. THE PROHIBITION ON GRANTS FOR PROJECTS LOCATED IN
19 A CITY OR COUNTY OF THE FIRST OR SECOND CLASS UNDER SECTION
20 301 OF THE H2O PA ACT SHALL NOT APPLY TO FUNDS DISTRIBUTED TO
21 THE H2O PA PROGRAM UNDER THIS PARAGRAPH.

22 (4) FIVE PERCENT TO THE HAZARDOUS SITES CLEANUP FUND.

23 (5) FIFTEEN PERCENT FOR THE PLANNING, ACQUISITION,
24 DEVELOPMENT REHABILITATION AND REPAIR OF GREENWAYS,
25 RECREATIONAL TRAILS, OPEN SPACE, NATURAL AREAS, COMMUNITY
26 CONSERVATION AND BEAUTIFICATION PROJECTS, COMMUNITY AND
27 HERITAGE PARKS AND WATER RESOURCE MANAGEMENT. FUNDS SHALL BE
28 DISTRIBUTED TO COUNTIES PROPORTIONATELY BASED ON THE
29 POPULATION OF THE COUNTY AS FOLLOWS:

30 (I) IN EACH COUNTY, THE DISTRIBUTION SHALL BE

1 ACCORDING TO THE FOLLOWING FORMULA:

2 (A) DIVIDE:

3 (I) THE TOTAL POPULATION OF THE COUNTY; BY

4 (II) THE TOTAL POPULATION OF THE

5 COMMONWEALTH.

6 (B) EXPRESS THE QUOTIENT UNDER CLAUSE (A) AS A
7 PERCENTAGE.

8 (C) MULTIPLY:

9 (I) THE PERCENTAGE UNDER CLAUSE (B); BY

10 (II) THE AMOUNT OF FUNDS AVAILABLE UNDER

11 THIS PARAGRAPH.

12 (II) EACH COUNTY SHALL RECEIVE A MINIMUM OF \$25,000.

13 (6) FIVE PERCENT FOR DISTRIBUTION AS FOLLOWS:

14 (I) FOR 2011, 2012 AND 2013, TO THE DEPARTMENT OF
15 COMMUNITY AND ECONOMIC DEVELOPMENT FOR PROJECTS TO
16 PROVIDE FOR THE PLANNING, DEVELOPMENT AND CONSTRUCTION OF
17 A FACILITY TO LIQUEFY NATURAL GAS OR CONVERT NATURAL GAS
18 TO ETHANE, PROPANE OR SIMILAR SUBSTANCES.

19 (II) AFTER 2013, TO THE HAZARDOUS SITES CLEANUP
20 FUND.

21 (B) RESTRICTION ON USE OF PROCEEDS.--

22 (1) FUNDS DISTRIBUTED UNDER SUBSECTION (A) SHALL NOT BE
23 USED FOR THE PURPOSE OF PUBLIC RELATIONS, OUTREACH,
24 COMMUNICATIONS, LOBBYING OR LITIGATION.

25 (2) FUNDS DISTRIBUTED UNDER SUBSECTION (A) MAY NOT BE
26 USED BY AN AUTHORIZED ORGANIZATION AS DEFINED IN 27 PA.C.S. §
27 6103 (RELATING TO DEFINITIONS) FOR LAND ACQUISITION UNLESS
28 THE AUTHORIZED ORGANIZATION HAS OBTAINED THE WRITTEN CONSENT
29 OF THE COUNTY AND MUNICIPALITY IN WHICH THE LAND IS SITUATED.

30 (C) COORDINATION.--THE DEPARTMENT AND THE DEPARTMENT OF

1 CONSERVATION AND NATURAL RESOURCES SHALL REVIEW APPLICATIONS FOR
2 FUNDING AS REQUESTED BY THE COMMONWEALTH FINANCING AUTHORITY AND
3 PROVIDE RECOMMENDATIONS ON PRIORITY OF PROJECTS AND PROJECT
4 APPROVAL.

5 § 2316. DIVERSE BUSINESS PARTICIPATION.

6 (A) GENERAL RULE.--UNCONVENTIONAL WELL PRODUCERS AND RELATED
7 EXTRACTION COMPANIES, INCLUDING CONTRACTORS, SUBCONTRACTORS,
8 PROFESSIONAL SERVICE PROVIDERS AND SUPPLIERS, SHALL PROVIDE
9 MAXIMUM PRACTICABLE OPPORTUNITIES FOR DIVERSE BUSINESS
10 PARTICIPATION.

11 (B) DUTIES.--UNCONVENTIONAL WELL PRODUCERS SHALL DO ALL OF
12 THE FOLLOWING:

13 (1) FULLY COMPLY WITH THE COMMONWEALTH'S CONTRACT
14 COMPLIANCE POLICY REGARDING NONDISCRIMINATION.

15 (2) NOTIFY THE DEPARTMENT OF GENERAL SERVICES' BUREAU OF
16 MINORITY AND WOMEN BUSINESS OPPORTUNITIES OF CONTRACTING
17 OPPORTUNITIES FROM DIVERSE BUSINESSES.

18 (3) USE OR OBTAIN THE BUREAU OF MINORITY AND WOMEN
19 BUSINESS OPPORTUNITIES' ASSISTANCE IN USING THE DEPARTMENT OF
20 GENERAL SERVICES' INTERNET WEBSITE TO IDENTIFY CERTIFIED
21 DIVERSE BUSINESSES AS POTENTIAL SOURCES FOR MARCELLUS SHALE
22 OPPORTUNITIES.

23 (4) UTILIZE THE DEPARTMENT OF GENERAL SERVICES AVAILABLE
24 SOURCE LIST OF VETERAN-OWNED SMALL BUSINESSES.

25 (C) SURVEY.--THE DEPARTMENT OF GENERAL SERVICES SHALL
26 CONDUCT A SURVEY OF UNCONVENTIONAL WELL PRODUCERS TO ASCERTAIN
27 THE EXTENT OF DIVERSE BUSINESS PARTICIPATION. THIS SURVEY SHALL
28 BE COMPLETED BY DECEMBER 31, 2012.

29 (D) REPORT.--THE DEPARTMENT OF GENERAL SERVICES SHALL SUBMIT
30 AN ANNUAL REPORT TO THE APPROPRIATIONS COMMITTEE OF THE SENATE

1 AND THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES
2 ON THE UTILIZATION OF DIVERSE BUSINESS PARTICIPATION IN THE
3 MARCELLUS SHALE GAS EXTRACTION INDUSTRY.

4 (E) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
5 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
6 SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

7 "DIVERSE BUSINESS." MINORITY-OWNED BUSINESS, WOMEN-OWNED
8 BUSINESS AND VETERAN-OWNED BUSINESS AS DETERMINED BY THE
9 DEPARTMENT OF GENERAL SERVICES.

10 § 2317. APPLICABILITY.

11 THE PROVISIONS OF THIS CHAPTER SHALL NOT NEGATE OR LIMIT THE
12 RESPONSIBILITIES OF ANY PRODUCER UNDER THIS TITLE, 74 PA.C.S
13 (RELATING TO TRANSPORTATION) OR 75 PA.C.S. (RELATING TO
14 VEHICLES).

15 § 2318. EXPIRATION.

16 (A) NOTICE.--THE SECRETARY OF THE COMMONWEALTH SHALL, UPON
17 THE IMPOSITION OF A SEVERANCE TAX ON UNCONVENTIONAL WELLS IN
18 THIS COMMONWEALTH, SUBMIT FOR PUBLICATION IN THE PENNSYLVANIA
19 BULLETIN NOTICE OF THE IMPOSITION.

20 (B) DATE.--THIS CHAPTER SHALL EXPIRE ON THE DATE OF THE
21 PUBLICATION OF THE NOTICE UNDER SUBSECTION (A).

22 CHAPTER 25

23 NATURAL GAS ENERGY DEVELOPMENT PROGRAM

24 SEC.

25 2501. DEFINITIONS.

26 2502. ASSESSMENT.

27 2503. PROGRAM.

28 § 2501. DEFINITIONS.

29 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
30 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE

1 CONTEXT CLEARLY INDICATES OTHERWISE:

2 "AUTHORITY." THE COMMONWEALTH FINANCING AUTHORITY
3 ESTABLISHED IN 64 PA.C.S. § 1511 (RELATING TO AUTHORITY).

4 "COMMISSION." AS DEFINED IN SECTION 2301 (RELATING TO
5 DEFINITIONS).

6 "ELIGIBLE APPLICANT." ANY OF THE FOLLOWING:

7 (1) A SCHOOL DISTRICT.

8 (2) A COUNTY OR MUNICIPALITY.

9 (3) A COMMONWEALTH AUTHORITY.

10 (4) A MUNICIPAL AUTHORITY.

11 (5) THE PENNSYLVANIA TURNPIKE COMMISSION.

12 (6) A LOCAL TRANSPORTATION ORGANIZATION.

13 (7) A NONPROFIT ENTITY.

14 (8) A STATE-OWNED OR STATE-RELATED UNIVERSITY.

15 "LOCAL TRANSPORTATION ORGANIZATION." ANY OF THE FOLLOWING:

16 (1) A POLITICAL SUBDIVISION.

17 (2) A PUBLIC TRANSPORTATION AUTHORITY, PORT AUTHORITY OR

18 REDEVELOPMENT AUTHORITY, WHICH IS:

19 (I) ORGANIZED UNDER:

20 (A) THE LAWS OF THIS COMMONWEALTH; OR

21 (B) AN INTERSTATE COMPACT; OR

22 (II) OTHERWISE EMPOWERED TO RENDER, CONTRACT TO

23 RENDER OR ASSIST IN RENDERING TRANSPORTATION SERVICES IN

24 A LIMITED AREA IN THIS COMMONWEALTH EVEN THOUGH IT MAY

25 ALSO RENDER OR ASSIST IN RENDERING TRANSPORTATION SERVICE

26 IN ADJACENT STATES.

27 (3) A NONPROFIT ASSOCIATION WHICH DIRECTLY OR INDIRECTLY

28 PROVIDES PUBLIC TRANSPORTATION SERVICE.

29 (4) A NONPROFIT ASSOCIATION OF PUBLIC TRANSPORTATION

30 PROVIDERS OPERATING WITHIN THIS COMMONWEALTH.

1 "MUNICIPALITY." A BOROUGH, CITY, TOWN OR TOWNSHIP.

2 "PRODUCER." AS DEFINED IN SECTION 2301 (RELATING TO
3 DEFINITIONS).

4 "UNCONVENTIONAL WELL." AS DEFINED IN SECTION 2301 (RELATING
5 TO DEFINITIONS).

6 "VERTICAL GAS WELL." AS DEFINED IN SECTION 2301 (RELATING TO
7 DEFINITIONS).

8 § 2502. ASSESSMENT.

9 (A) IMPOSITION.--THERE SHALL BE IMPOSED AN ASSESSMENT BY THE
10 COMMISSION ON UNCONVENTIONAL WELLS LOCATED IN THIS COMMONWEALTH
11 PRIOR TO JANUARY 1, 2011.

12 (B) UNCONVENTIONAL WELL.--THE ASSESSMENT FOR EACH
13 UNCONVENTIONAL WELL SHALL BE DETERMINED AS FOLLOWS:

14 (1) THE ASSESSMENT FOR EACH UNCONVENTIONAL WELL, OTHER
15 THAN A VERTICAL GAS WELL, PRODUCING NATURAL GAS PRIOR TO
16 JANUARY 1, 2011, SHALL BE \$20,000.

17 (2) THE ASSESSMENT FOR EACH VERTICAL GAS WELL PRODUCING
18 NATURAL GAS PRIOR TO JANUARY 1, 2011, SHALL BE \$10,000.

19 (3) THE ASSESSMENT FOR EACH UNCONVENTIONAL WELL DRILLED
20 BUT NOT PRODUCING NATURAL GAS PRIOR TO JANUARY 1, 2011, SHALL
21 BE \$8,000.

22 (C) DEADLINE AND PAYMENT.--FOR CALENDAR YEAR 2010, A REPORT
23 IN ACCORDANCE WITH SECTION 2303(D) (RELATING TO ADMINISTRATION)
24 SHALL BE FILED BY DECEMBER 31, 2011, AND THE ASSESSMENT DUE
25 SHALL BE PAID AS FOLLOWS:

26 (1) FIFTY PERCENT OF THE ASSESSMENT SHALL BE PAID BY
27 JUNE 30, 2012.

28 (2) FIFTY PERCENT OF THE ASSESSMENT SHALL BE PAID BY
29 SEPTEMBER 30, 2012.

30 (D) DEPOSIT OF FUNDS.--FUNDS RECEIVED FROM THE ASSESSMENT

1 UNDER THIS SECTION SHALL BE DEPOSITED BY THE COMMISSION INTO THE
2 RESTRICTED RECEIPTS ACCOUNT ESTABLISHED UNDER SECTION 2314(A)
3 (RELATING TO DISTRIBUTION OF FEE).

4 § 2503. PROGRAM.

5 (A) ESTABLISHMENT AND PURPOSE.--THE NATURAL GAS ENERGY
6 DEVELOPMENT PROGRAM IS ESTABLISHED. THE PURPOSE OF THE PROGRAM
7 IS TO FUND PROJECTS UNDER THIS SECTION.

8 (B) APPROPRIATION.--BY NOVEMBER 1, 2012, AN AMOUNT EQUAL TO
9 THE FUNDS COLLECTED UNDER SECTION 2502 (RELATING TO ASSESSMENT)
10 SHALL BE TRANSFERRED FROM THE RESTRICTED RECEIPTS ACCOUNT
11 ESTABLISHED UNDER SECTION 2314(A) (RELATING TO DISTRIBUTION OF
12 FEE) TO THE AUTHORITY. THE AUTHORITY SHALL USE THE FUNDS TO
13 PROMOTE DOMESTIC ENERGY DEVELOPMENT PROJECTS UTILIZING NATURAL
14 GAS.

15 (C) PROJECTS.--

16 (1) FUNDS TRANSFERRED TO THE AUTHORITY UNDER SUBSECTION
17 (B) SHALL BE UTILIZED FOR GRANTS, LOANS, REIMBURSEMENTS OR
18 REBATES TO ELIGIBLE APPLICANTS FOR ANY OF THE FOLLOWING
19 PROGRAMS:

20 (I) THE CONVERSION OR REPLACEMENT OF BUSES WITH
21 NATURAL GAS VEHICLES.

22 (II) THE CONVERSION OR REPLACEMENT OF PUBLIC TRANSIT
23 AUTHORITY VEHICLES WITH NATURAL GAS VEHICLES.

24 (III) THE CONVERSION OR REPLACEMENT OF MEDIUM AND
25 HEAVY DUTY VEHICLES, INCLUDING GARBAGE TRUCKS, STREET
26 SWEEPERS AND PLOW TRUCKS, OPERATED BY ELIGIBLE
27 APPLICANTS.

28 (IV) THE CONSTRUCTION OF NATURAL GAS FUELING
29 STATIONS.

30 (V) THE PURCHASE AND INSTALLATION OF THE NECESSARY

1 NATURAL GAS FLEET REFUELING EQUIPMENT FOR VEHICLES
2 OPERATING ON NATURAL GAS.

3 (2) A PRODUCER SHALL NOT BE ELIGIBLE FOR A GRANT, LOAN,
4 REIMBURSEMENT OR REBATE UNDER THIS SUBSECTION.

5 (D) GUIDELINES.--FUNDS UNDER THIS SECTION SHALL BE USED IN
6 ACCORDANCE WITH GUIDELINES OF THE AUTHORITY. GUIDELINES MAY
7 REQUIRE THE ELIGIBLE APPLICANT TO PROVIDE MATCHING FUNDS NOT TO
8 EXCEED 50% OF THE TOTAL COST OF THE PROJECT.

9 (E) APPLICATION.--AN APPLICANT SHALL SUBMIT AN APPLICATION
10 INCLUDING SUPPORTING INFORMATION AS REQUIRED BY THE AUTHORITY.

11 (F) ADMINISTRATIVE COSTS.--NO MORE THAN 1% OF THE FUNDS
12 APPROPRIATED TO THE AUTHORITY UNDER SUBSECTION (B) SHALL BE USED
13 FOR ADMINISTRATIVE COSTS.

14 (G) APPLICANT ELIGIBILITY.--IN ORDER TO BE ELIGIBLE TO
15 RECEIVE FUNDS UNDER THIS SECTION, AN APPLICANT MUST PROVIDE THE
16 FOLLOWING:

17 (1) A DETAILED DESCRIPTION OF THE PROJECT, INCLUDING THE
18 PROPOSED USE OF FUNDS AND AN EXPLANATION OF HOW THE PROJECT
19 WILL FULFILL THE GOALS OF THIS SECTION.

20 (2) THE COST OF THE PROJECT.

21 (3) THE SOURCE AND AMOUNT OF ANY FUNDS TO BE CONTRIBUTED
22 BY THE APPLICANT.

23 (4) A DESCRIPTION OF HOW THE PROJECT WILL INCREASE THIS
24 COMMONWEALTH'S USE OF DOMESTIC NATURAL GAS.

25 (H) PROJECT ELIGIBILITY.--IN ORDER TO BE ELIGIBLE FOR
26 FUNDING UNDER THIS SECTION, A PROJECT SHALL BE LOCATED IN THIS
27 COMMONWEALTH.

28 (I) PROJECT REVIEW.--THE AUTHORITY SHALL REVIEW AND PREPARE
29 AN ASSESSMENT OF EACH APPLICATION AND DETERMINE WHICH PROJECTS
30 WILL BEST UTILIZE AND PROMOTE THE USE OF DOMESTICALLY PRODUCED

1 NATURAL GAS IN THIS COMMONWEALTH. PROJECTS SHALL BE AWARDED IN
2 ACCORDANCE WITH 64 PA.C.S. § 1512 (RELATING TO BOARD). THE
3 DEPARTMENT OR THE DEPARTMENT OF COMMUNITY AND ECONOMIC
4 DEVELOPMENT SHALL PROVIDE TECHNICAL ASSISTANCE AS APPROPRIATE.

5 (J) REPORT.--THE AUTHORITY SHALL PROVIDE A REPORT TO THE
6 CHAIRMAN AND MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE
7 OF THE SENATE AND THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
8 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES BY
9 OCTOBER 1, 2013, AND EACH OCTOBER 1 THEREAFTER. THE REPORT SHALL
10 BE MAINTAINED ON THE AUTHORITY'S OFFICIAL INTERNET WEBSITE AND
11 SHALL INCLUDE:

12 (1) A LIST OF ALL GRANTS, LOANS, REIMBURSEMENTS AND
13 REBATES APPROVED AND LOANS REPAYED DURING THE PREVIOUS FISCAL
14 YEAR, INCLUDING THE AMOUNT OF THE LOAN OR GRANT AND A
15 DESCRIPTION OF EACH APPROVED PROJECT.

16 (2) THE ESTIMATED DOMESTIC ENERGY BENEFITS TO DATE FOR
17 ALL PROJECTS RECEIVING FUNDING DURING THE FISCAL YEAR AND THE
18 METHOD USED TO DETERMINE ESTIMATED BENEFITS.

19 CHAPTER 31

20 (RESERVED)

21 CHAPTER 32

22 REGULATION

23 Subchapter

24 A. Preliminary Provisions

25 B. General Requirements

26 C. Underground Gas Storage

27 D. Eminent Domain

28 E. Enforcement and Remedies

29 F. (Reserved)

30 G. Miscellaneous Provisions

1 SUBCHAPTER A

2 PRELIMINARY PROVISIONS

3 Sec.

4 3201. Scope of chapter.

5 3202. Declaration of purpose.

6 3203. Definitions.

7 § 3201. Scope of chapter.

8 This chapter relates to oil and gas.

9 § 3202. Declaration of purpose.

10 The purposes of this chapter are to:

11 (1) Permit optimal development of oil and gas resources
12 of this Commonwealth consistent with protection of the
13 health, safety, environment and property of Pennsylvania
14 citizens.

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

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

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

23 § 3203. Definitions.

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

27 "Abandoned well." Any of the following:

28 (1) A well:

29 (i) that has not been used to produce, extract or
30 inject any gas, petroleum or other liquid within the

1 preceding 12 months;

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

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

6 (2) The term does not include wells granted inactive
7 status.

8 "Alteration." An operation which changes the physical
9 characteristics of a well bore, including stimulation or
10 removing, repairing or changing the casing. For the purpose of
11 this chapter, the term does not include:

12 (1) Repairing or replacing of the casing if the
13 operation does not affect the depth or diameter of the well
14 bore, the use or purpose of the well does not change and the
15 activity complies with regulations promulgated under this
16 chapter. This paragraph shall not apply:

17 (i) to production casings in coal areas when the
18 production casings are also the coal protection casings;

19 or

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

22 (2) Stimulation of a well.

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

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

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

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

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

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

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

4 "Coal mine." Any of the following:

5 (1) Operations in a coal seam, including excavated
6 portions, abandoned portions and places actually being
7 worked.

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

12 "Coal operator." A person that operates or proposes to
13 operate a coal mine as an owner or lessee.

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

17 "Department." The Department of Environmental Protection of
18 the Commonwealth.

19 "Drilling." The drilling or redrilling of a well or the
20 deepening of an existing well.

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

24 "Gas." Any of the following:

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

29 (2) Any manufactured gas, byproduct gas or mixture of
30 gases.

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

5 "Linear foot." A unit or measurement in a straight line on a
6 horizontal plane.

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

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

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

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

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

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

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

28 "Owner." A person who owns, manages, leases, controls or
29 possesses a well or coal property. The term does not apply to
30 orphan wells, except where the Department of Environmental

1 Protection determines a prior owner or operator benefited from
2 the well as provided in section 3220(a) (relating to plugging
3 requirements).

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

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

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

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

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

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

24 "Secretary." The Secretary of Environmental Protection of
25 the Commonwealth.

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

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



1 "Unconventional formation." A geological SHALE formation
2 existing below the base of the Elk Sandstone or its geologic
3 equivalent stratigraphic interval where natural gas generally
4 cannot be produced at economic flow rates or in economic volumes
5 except by vertical or horizontal well bores stimulated by
6 hydraulic fracture treatments or by using multilateral well
7 bores or other techniques to expose more of the formation of the
8 well bore.

9 "Unconventional well." A bore hole drilled or being drilled
10 for the purpose of or to be used for the production of natural
11 gas from an unconventional formation.

12 "Well." A bore hole drilled or being drilled for the purpose
13 of, or to be used for, producing, extracting or injecting gas,
14 petroleum or another liquid related to oil or gas production or
15 storage, including brine disposal, but excluding a bore hole
16 drilled to produce potable water. The term does not include a
17 bore hole drilled or being drilled for the purpose of, or to be
18 used for:

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

24 (2) Degasifying coal seams, if the bore hole is:
25 (i) used to vent methane to the outside atmosphere
26 from an operating coal mine; regulated as part of the
27 mining permit under the act of June 22, 1937 (P.L.1987,
28 No.394), known as The Clean Streams Law, and the act of
29 May 31, 1945 (P.L.1198, No.418), known as the Surface
30 Mining Conservation and Reclamation Act; and drilled by

1 the operator of the operating coal mine for the purpose
2 of increased safety; or

3 (ii) used to vent methane to the outside atmosphere
4 under a federally funded or State-funded abandoned mine
5 reclamation project.

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

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

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

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

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

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

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

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

26 SUBCHAPTER B

27 GENERAL REQUIREMENTS

28 Sec.

29 3211. Well permits.

30 3212. Permit objections.

- 1 3213. Well registration and identification.
- 2 3214. Inactive status.
- 3 3215. Well location restrictions.
- 4 3216. Well site restoration.
- 5 3217. Protection of fresh groundwater and casing requirements.
- 6 3218. Protection of water supplies.
- 7 3218.1. Containment for unconventional wells.
- 8 3218.2. Transportation records regarding wastewater fluids.
- 9 3218.3. Emergency response information.
- 10 3218.4. NOTIFICATION TO PUBLIC DRINKING WATER SYSTEMS. ←
- 11 3218.5. CORROSION CONTROL REQUIREMENTS.
- 12 3218.6. GATHERING LINES.
- 13 3219. Use of safety devices.
- 14 3220. Plugging requirements.
- 15 3221. Alternative methods.
- 16 3222. Well reporting requirements.
- 17 3223. Notification and effect of well transfer.
- 18 3224. Coal operator responsibilities.
- 19 3225. Bonding.
- 20 3226. Oil and Gas Technical Advisory Board.
- 21 § 3211. Well permits.

22 (a) Permit required.--No person shall drill a well or alter
23 an existing well, except for alterations which satisfy the
24 requirements of subsection (j), without having first obtained a
25 well permit under subsections (b), (c), (d) and (e) IN ←
26 ACCORDANCE WITH THIS SECTION. A copy of the permit shall be kept
27 at the well site during preparation and construction of the well
28 site or access road, drilling, operation or alteration of the
29 well. No person shall be required to obtain a permit to redrill
30 a nonproducing well if the redrilling:

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

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

8 (b) Plat.--The permit application shall be accompanied by a
9 plat prepared by a competent engineer or a competent surveyor,
10 on forms furnished by the department, showing the political
11 subdivision and county in which the tract of land upon which the
12 well to be drilled, operated or altered, is located, the name of
13 the surface landowner of record and lessor, the name of all
14 surface landowners or water purveyors whose water supplies are
15 within 1,000 feet, or in the case of an unconventional well
16 within 3,000 feet from the VERTICAL well bore, the name of the ←
17 owner of record or operator of all known underlying workable
18 coal seams, the acreage in the tract to be drilled, the proposed
19 location of the well determined by survey, courses and distances
20 of the location from two or more permanent identifiable points
21 or landmarks on the tract boundary corners, the proposed angle
22 and direction of the well if the well is to be deviated
23 substantially from a vertical course, the number or other
24 identification to be given the well, workable coal seams
25 underlying the tract of land upon which the well is to be
26 drilled, operated or altered and which shall be cased off under
27 section 3217 (relating to protection of fresh groundwater and
28 casing requirements) and any other information needed by the
29 department to administer this chapter. ~~The applicant shall~~ ←

30 (B.1) NOTIFICATION.--THE FOLLOWING SHALL APPLY: ←

1 (1) THE APPLICANT SHALL forward by certified mail a copy
2 of the plat to the following:

3 ~~(1) The surface landowner.~~ ←

4 ~~(2) All surface landowners or water purveyors whose~~
5 ~~water supplies are within 1,000 feet of the proposed well~~
6 ~~location or, in the case of an unconventional well, within~~
7 ~~3,000 feet of the well bore.~~

8 ~~(3) The owner and lessee, if any, of any workable coal~~
9 ~~seams and every coal operator required to be identified on~~
10 ~~the well permit application and shall submit proof of such~~
11 ~~notification with the well permit application.~~

12 ~~(4) The municipality where the proposed unconventional~~
13 ~~well is located and a municipality within 3,000 feet of the~~
14 ~~proposed unconventional well bore.~~

15 ~~(b.1) Notification. Notification of surface owners~~
16 ~~shall be~~

17 (I) THE SURFACE LANDOWNER. ←

18 (II) ALL SURFACE LANDOWNERS OR WATER PURVEYORS WHOSE
19 WATER SUPPLIES ARE WITHIN 1,000 FEET OF THE PROPOSED WELL
20 LOCATION OR, IN THE CASE OF AN UNCONVENTIONAL WELL,
21 WITHIN 3,000 FEET OF THE VERTICAL WELL BORE.

22 (III) THE OWNER AND LESSEE, IF ANY, OF ANY WORKABLE
23 COAL SEAMS AND EVERY COAL OPERATOR REQUIRED TO BE
24 IDENTIFIED ON THE WELL PERMIT APPLICATION AND SHALL
25 SUBMIT PROOF OF SUCH NOTIFICATION WITH THE WELL PERMIT
26 APPLICATION.

27 (IV) THE MUNICIPALITY WHERE THE PROPOSED
28 UNCONVENTIONAL WELL IS LOCATED AND EACH MUNICIPALITY
29 WITHIN 3,000 FEET OF THE PROPOSED UNCONVENTIONAL VERTICAL
30 WELL BORE.

1 (V) STORAGE OPERATORS WITHIN 3,000 FEET OF THE
2 PROPOSED UNCONVENTIONAL VERTICAL WELL BORE.

3 (2) NOTIFICATION OF SURFACE OWNERS SHALL BE performed by
4 sending notice to those persons to whom the tax-notices for
5 the surface property are sent, as indicated in the assessment
6 books in the county in which the property is located.

7 ~~Notification of surface landowners or water purveyors whose~~ ←
8 ~~water supplies are within 1,000 feet, or in the case of an~~
9 ~~unconventional well within 3,000 feet of the well bore shall~~
10 ~~be on forms, and in a manner prescribed by the department,~~
11 ~~sufficient to identify the rights afforded those persons~~
12 ~~under section 3218 (relating to protection of water supplies)~~
13 ~~and advise them of the advisability of taking their own~~
14 ~~predrilling or prealteration survey. The applicant shall~~
15 ~~submit proof of compliance with this subsection with the well~~
16 ~~permit application.~~

17 (b.2) Approval.--If the applicant submits to the department
18 written approval of the proposed well location by the surface
19 landowner and the coal operator, lessee or owner of any coal
20 underlying the proposed well location and no objections are
21 raised by the department within 15 days of filing, or if no
22 approval has been submitted and no objections are made to the
23 proposed well location within 15 days from receipt of notice by
24 ~~the department, lessee or owner, the written approval shall be~~ ←
25 ~~THE SURFACE LANDOWNER AND THE COAL OPERATOR, LESSEE OR OWNER, IF~~ ←
26 ~~ANY, OR BY THE DEPARTMENT THE SAME SHALL BE~~
27 ~~filed and become a~~
28 ~~permanent record of the well location, subject to inspection at~~
29 ~~any time by any interested person. The application form to~~
30 ~~operate an abandoned or orphan well shall provide notification~~
 ~~to the applicant of its responsibilities to plug the well upon~~

1 abandonment.

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

13 (d) Permit fee.--Each application for a well permit shall be
14 accompanied by a permit fee, established by regulation of the
15 Environmental Quality Board, which bears a reasonable
16 relationship to the cost of administering this chapter.

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

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

28 (1) The well site for which a permit is requested is in
29 violation of this chapter or issuance of the permit would
30 result in a violation of this chapter or other applicable

1 law.

2 (2) The permit application is incomplete.

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

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

7 (5) The applicant, with respect to any other well
8 operated by the applicant, is in continuing violation of this
9 chapter or other applicable law administered by the
10 department and the likely result of the violation is an
11 unsafe operation or environmental damage. If a final
12 determination OF THE VIOLATION has been made in the ←
13 applicant's favor, the ~~permit denied~~ DEPARTMENT shall be ←
14 ~~reconsidered~~ RECONSIDER THE APPLICATION and the violation ←
15 shall not be a consideration in the awarding of the permit ←
16 CONSIDERED IN THE APPLICATION REVIEW. The department may not ←
17 collect an application fee for the reconsideration.

18 (6) The applicant failed to pay THE FEE or file a report ←
19 under section 2303(d) and (e) (relating to administration),
20 unless a valid AN appeal is in process PENDING. The ←
21 commission shall notify the department of any applicant who
22 has failed to pay THE FEE or file a ~~return~~ REPORT and who ←
23 does not have a valid AN appeal pending. ←

24 (7) An applicant to drill an unconventional well does ←
25 not have a reasonable written plan to reuse at least 30% of
26 the total water that will be used to hydraulically fracture
27 the well THE WATER MANAGEMENT PLAN SUBMITTED BY THE APPLICANT ←
28 TO DRILL AN UNCONVENTIONAL WELL DOES NOT INCLUDE A REUSE PLAN
29 FOR FLUIDS THAT WILL BE USED TO HYDRAULICALLY FRACTURE THAT
30 WELL.

1 (f) Drilling.--Upon issuance of a permit, the well operator
2 may proceed to drill, operate or alter the well at the exact
3 location shown on the plat after providing the department, the
4 surface landowner and the local political subdivision in which
5 the well is to be located 24 hours' notice of the date that
6 drilling will commence. In noncoal areas where more than one
7 well is to be drilled as part of the same development project,
8 only the first well of the project need be located by survey.
9 Remaining wells of the project shall be shown on the plat in a
10 manner prescribed by regulation. Prior to drilling each
11 additional project well, the well operator shall notify the
12 department and provide reasonable notice of the date on which
13 drilling will commence. Whenever, before or during the drilling
14 of a well not within the boundaries of an operating coal mine,
15 the well operator encounters conditions of a nature which
16 renders drilling of the bore hole or a portion thereof
17 impossible, or more hazardous than usual, the well operator,
18 upon verbal notice to the department, may immediately plug all
19 or part of the bore hole, if drilling has occurred, and commence
20 a new bore hole not more than 50 feet from the old bore hole if
21 the location of the new bore hole does not violate section 3215
22 (relating to well location restrictions) and, in the case of a
23 well subject to act of July 25, 1961 (P.L.825, No.359), known as
24 the Oil and Gas Conservation Law, if the new location complies
25 with existing laws, regulations and spacing orders and the new
26 bore hole is at least 330 feet from the nearest lease boundary.
27 Within ten days of commencement of the new bore hole, the well
28 operator shall file with the department a written notice of
29 intention to plug, a well record, a completion report, a
30 plugging certificate for the original bore hole and an amended

1 plat for the new bore hole. The well operator shall forward a
2 copy of the amended plat to the surface landowner identified on
3 the well permit application within ten days of commencement of
4 the new well bore.

5 (g) Posting.--The well permit number and operator's name,
6 address and telephone number shall be conspicuously posted at
7 the drilling site ~~prior to initiating~~ DURING SITE preparation ←
8 ~~and during,~~ INCLUDING THE CONSTRUCTION OF ACCESS ROADS, ←
9 construction of the well site ~~or access road,~~ AND DURING ←
10 drilling, operation or alteration of the well.

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

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

28 (j) Exceptions.--The Environmental Quality Board may
29 establish by regulation certain categories of alterations of
30 permitted or registered wells for which permitting requirements

1 of this section shall not apply. A well operator or owner who
2 proposes to conduct the alteration activity shall first obtain a
3 permit or registration modification from the department. The
4 Environmental Quality Board shall promulgate regulations as to
5 the requirements for modifications.

6 (k) No transfer permitted.--No permit issued under this
7 section or registration issued under section 3213 (relating to
8 well registration and identification) may be transferred without
9 prior approval of the department. A request for approval of a
10 transfer shall be on the forms, and in the manner, prescribed by
11 the department. The department shall approve or deny a transfer
12 request within 45 days of receipt of a complete and accurate
13 application. The department may deny a request only for reasons
14 set forth in subsection (e.1) (4), (5) and (6). Approval of a
15 transfer request shall permanently transfer responsibility to
16 plug the well under section 3220 to the recipient of the
17 transferred permit or registration. The department may establish
18 a procedure for accelerated approval of well permit applications
19 in hardship cases, as defined by regulation of the Environmental
20 Quality Board, consistent with the requirements of this chapter.
21 § 3212. Permit objections.

22 (a) General rule.--If a well referred to in section 3211(b)
23 (relating to well permits) will be located on a tract whose
24 surface is owned by a person other than the well operator, the
25 surface landowner affected shall be notified of the intent to
26 drill and may file objections, in accordance with section 3251
27 (relating to conferences), based on the assertion that the well
28 location violates section 3215 (relating to well location
29 restrictions) or that information in the application is untrue
30 in any material respect, within 15 days of the receipt by the

1 surface owner of the plat under section 3211(b). Receipt of
2 notice by the surface owner shall be presumed to have occurred
3 15 days from the date of the certified mailing when the well
4 operator submits a copy of the certified mail receipt sent to
5 the surface owner and an affidavit certifying that the address
6 of the surface owner to which notice was sent is the same as the
7 address listed in the assessment books in the county where the
8 property is located. If no objection is filed or none is raised
9 by the department within 15 days after receipt of the plat by
10 the surface landowner, or if written approval by the surface
11 landowner is filed with the department and no objection is
12 raised by the department within 15 days of filing, the
13 department shall proceed to issue or deny the permit.

14 (b) Special circumstances.--If a well referred to in section
15 3211(b) will penetrate within the outside coal boundaries of an
16 operating coal mine or a coal mine already projected and platted
17 but not yet being operated, or within 1,000 linear feet beyond
18 those boundaries, and, in the opinion of the coal owner or
19 operator, the well or a pillar of coal about the well will
20 unduly interfere with or endanger the mine, the coal owner or
21 operator affected may file objections under section 3251 to the
22 proposed location within 15 days of the receipt by the coal
23 operator of the plat under section 3211(b). If possible, an
24 alternative location at which the proposed well could be drilled
25 to overcome the objections shall be indicated. If no objection
26 to the proposed location is filed or if none is raised by the
27 department within 15 days after receipt of the plat by the coal
28 operator or owner, or if written approval by the coal operator
29 or owner of the location is filed with the department and no
30 objection is raised by the department within 15 days of filing,

1 the department shall proceed to issue or deny the permit.

2 (c) Procedure upon objection.--If an objection is filed by a
3 coal operator or owner or made by the department, the department
4 shall fix a time and place for a conference under section 3251
5 not more than ten days from the date of service of the objection
6 to allow the parties to consider the objection and attempt to
7 agree on a location. If they fail to agree, the department, by
8 an appropriate order, shall determine a location on the tract of
9 land as near to the original location as possible where, in the
10 judgment of the department, the well can be safely drilled
11 without unduly interfering with or endangering the mine as
12 defined in subsection (b). The new location agreed upon by the
13 parties or determined by the department shall be indicated on
14 the plat on file with the department and become a permanent
15 record upon which the department shall proceed to issue or deny
16 the permit.

17 (d) Survey.--Within 120 days after commencement of drilling
18 operations, the coal operator shall accurately locate the well
19 by a closed survey on the same datum as the mine workings or
20 coal boundaries are mapped, file the results of the survey with
21 the department and forward a copy by certified mail to the well
22 operator.

23 § 3213. Well registration and identification.

24 (a) General rule.--On or before July 5, 1996, each person
25 who owned or operated a well in existence prior to April 18,
26 1985, which has not been registered with the department and for
27 which no drilling permit has been issued by the department,
28 shall register the well with the department. A well owner or
29 operator who registers under this subsection and a well owner or
30 operator who has previously registered a well under this chapter

1 shall, on or before July 5, 1996, identify any abandoned well on
2 property which the well owner or operator owns or leases and
3 request approval from the department for classification of the
4 well as an orphan well. Information regarding wells to be
5 registered or identified shall be provided on a form, or in a
6 manner, prescribed by the department and shall include:

7 (1) The name and address of the well operator and, if
8 the well operator is a corporation, partnership or person
9 nonresident of this Commonwealth, the name and address of an
10 agent for the operator upon whom notices, orders, process or
11 other communications issued under this chapter may be served.

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

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

19 (4) An indemnity bond, an alternative fee in lieu of
20 bonding or other evidence of financial security submitted by
21 the well operator and deemed appropriate by the department
22 and satisfying the requirements of section 3225 (relating to
23 bonding). No bond, alternative fee or other evidence of
24 financial security shall be required for identification of an
25 orphan well. For wells drilled prior to January 30, 1956,
26 which have not been bonded, the well operator shall have five
27 years to comply with the provisions of this paragraph.

28 (5) A registration fee of \$15 per well or blanket
29 registration fee of \$250 for multiple well registration
30 applications submitted simultaneously. The registration fee

1 shall be waived until July 5, 1996, and no fee shall be
2 charged for identification of an orphan well.

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

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

17 (c) Installation of registration number.--The well operator
18 shall install the registration number issued by the department
19 in a legible, conspicuous and permanent manner on the well
20 within 60 days of issuance.

21 (d) Definition.--For purposes of subsection (a) (4) and (5),
22 the term "owner" does not include an owner or possessor of
23 surface real property, on which an abandoned well is located,
24 who did not participate or incur costs in, and had no right of
25 control over, the drilling or extraction operation of the
26 abandoned well.

27 § 3214. Inactive status.

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

1 (1) the condition of the well is sufficient to prevent
2 damage to the producing zone or contamination of fresh water
3 or other natural resources or surface leakage of any
4 substance;

5 (2) the condition of the well is sufficient to stop the
6 vertical flow of fluids or gas within the well bore and is
7 adequate to protect freshwater aquifers, unless the
8 department determines the well poses a threat to the health
9 and safety of persons or property or to the environment;

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

14 (4) the applicant satisfies the bonding requirements of
15 sections 3213 (relating to well registration and
16 identification) and 3225 (relating to bonding), except that
17 the department may require additional financial security for
18 a well on which an alternative fee is being paid in lieu of
19 bonding under section 3225(d).

20 (b) Monitoring.--The owner or operator of a well granted
21 inactive status shall be responsible for monitoring the
22 mechanical integrity of the well to ensure that the requirements
23 of subsection (a)(1) and (2) are met and shall report the same
24 on an annual basis to the department in the manner and form
25 prescribed by departmental regulations.

26 (c) (Reserved).

27 (d) Return to active status.--A well granted inactive status
28 under subsection (a) shall be plugged in accordance with section
29 3220 (relating to plugging requirements) or returned to active
30 status within five years of the date inactive status was

1 granted, unless the owner or operator applies for an extension
2 of inactive status which may be granted on a year-to-year basis
3 if the department determines that the owner or operator has
4 demonstrated ability to continue meeting the requirements of
5 this section and the owner or operator certifies that the well
6 will be of future use within a reasonable period of time. An
7 owner or operator who has been granted inactive status for a
8 well which is returned to active status prior to expiration of
9 the five-year period set forth in subsection (a) shall notify
10 the department that the well has been returned to active status
11 and shall not be permitted to apply for another automatic five-
12 year period of inactive status for the well. The owner or
13 operator may make application to return the well to inactive
14 status, and the application may be approved on a year-to-year
15 basis if the department determines that the owner or operator
16 has demonstrated an ability to continue meeting the requirements
17 of this section and the owner or operator certifies that the
18 well will be of future use within a reasonable period of time.
19 The department shall approve or deny an application to extend a
20 period of inactive status or to return a well to inactive status
21 within 60 days of receipt of the application, and the
22 application shall not be unreasonably denied. If the department
23 has not completed its review of the application within 60 days,
24 the inactive status shall continue until the department has made
25 a determination on the request. If the department denies an
26 application to extend the period of inactive status or to return
27 a well to inactive status, a well owner or operator aggrieved by
28 the denial shall have the right to appeal the denial to the
29 Environmental Hearing Board within 30 days of receipt of the
30 denial. Upon cause shown by a well owner or operator, the board

1 may grant a supersedeas under section 4 of the act of July 13,
2 1988 (P.L.530, No.94), known as the Environmental Hearing Board
3 Act, so that the well in question may retain inactive status
4 during the period of the appeal.

5 (e) Revocation of inactive status.--The department may
6 revoke inactive status and order immediate plugging of a well if
7 the well is in violation of this chapter or rules or regulations
8 promulgated under this chapter or if the owner or operator
9 demonstrates inability to perform obligations under this chapter
10 or becomes financially insolvent, or upon receipt by the
11 department of notice of bankruptcy proceedings by the permittee.
12 § 3215. Well location restrictions.

13 (a) General rule.--Wells may not be drilled within 200 feet,
14 or in the case of an unconventional well within 500 feet,
15 measured horizontally from any existing building or existing
16 water well without written consent of the owner of the building
17 or water well. If the distance restriction would deprive the
18 owner of the oil and gas rights of the right to produce or share
19 in the oil or gas underlying the surface tract, the well
20 operator may be granted a variance from the distance restriction
21 upon submission of a plan identifying the additional measures,
22 facilities or practices to be employed during well site
23 construction, drilling and operations. The variance, if granted,
24 shall include additional terms and conditions required by the
25 department to ensure safety and protection of affected persons
26 and property, including insurance, bonding, indemnification and
27 technical requirements.

28 (b) Limitation.--No well site may be prepared or well
29 drilled within 100 feet, or in the case of an unconventional
30 well within 300 feet FROM THE VERTICAL WELL BORE OR 100 FEET



1 FROM THE EDGE OF THE WELL PAD, WHICHEVER IS GREATER, measured
2 horizontally from any stream, spring or body of water as
3 identified on the most current 7 1/2 minute topographic
4 quadrangle map of the United States Geological Survey or within
5 100 feet of any wetlands greater than one acre in size. No
6 unconventional well may be located within 1,000 feet FROM THE ←
7 VERTICAL WELL BORE from a public water supply source as defined
8 in the Safe Drinking Water Act (Public Law 93-523, 21 U.S.C. §
9 349 and 42 U.S.C. §§ 201 and 300f et seq.). The department may
10 waive the distance restrictions upon submission of a plan
11 identifying additional measures, facilities or practices to be
12 employed during well site construction, drilling and operations.
13 The waiver, if granted, shall impose permit conditions necessary
14 to protect the waters of the Commonwealth.

15 (c) Impact.--On making a determination on a well permit WHEN ←
16 REVIEWING A WELL PERMIT APPLICATION, the department shall
17 consider and may deny or condition a well permit based on the
18 impact of the proposed well on public resources, including, but
19 not limited to:

20 (1) Publicly owned parks, forests, game lands and
21 wildlife areas.

22 (2) National or State scenic rivers.

23 (3) National natural landmarks.

24 (4) Habitats of rare and endangered flora and fauna and
25 other critical communities.

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

28 (6) Sources used for public drinking water supplies IN ←
29 ACCORDANCE WITH SUBSECTION (B).

30 (7) Whether the proposed well location is within a

1 floodplain.

2 (d) Additional protective measures.--The department may
3 establish additional protective measures for storage of
4 hazardous chemicals and materials intended to be used, or that
5 have been used, on an unconventional well drilling site within
6 750 feet of a stream, spring or body of water identified on the
7 most current 7 1/2 minute topographic quadrangle map of the
8 United States Geological Survey.

9 (E) APPLICABILITY.--THE FOLLOWING SHALL APPLY:



10 (1) THIS SECTION SHALL NOT APPLY TO A WELL PROPOSED TO
11 BE DRILLED ON ON EXISTING WELL SITE FOR WHICH AT LEAST ONE
12 WELL PERMIT HAS BEEN ISSUED PRIOR TO THE EFFECTIVE DATE OF
13 THIS SECTION.

14 (2) NOTHING IN THIS SECTION SHALL ALTER OR ABRIDGE THE
15 TERMS OF ANY CONTRACTS, MORTGAGES OR OTHER AGREEMENTS ENTERED
16 INTO PRIOR TO TO THE EFFECTIVE DATE OF THIS SECTION.

17 § 3216. Well site restoration.

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

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

28 (c) Pits, drilling supplies and equipment.--Within nine
29 months after completion of drilling of a well, the owner or
30 operator shall restore the well site, remove or fill all pits

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

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

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

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

17 (g) Extension.--The restoration period may be extended by
18 the department for an additional six months upon application of
19 the well owner or operator upon evidence of inability to comply
20 due to adverse weather conditions or lack of essential fuel,
21 equipment or labor.

22 § 3217. Protection of fresh groundwater and casing
23 requirements.

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

30 (b) Casing.--To prevent migration of gas or fluids into

1 sources of fresh groundwater and pollution or diminution of
2 fresh groundwater, a string or strings of casing shall be run
3 and permanently cemented in each well drilled through the fresh
4 water-bearing strata to a depth and in a manner prescribed by
5 regulation by the department.

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

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

22 § 3218. Protection of water supplies.

23 (a) General rule.--In addition to the requirements of
24 subsection (c.1), a well operator who affects a public or
25 private water supply by pollution or diminution shall restore or
26 replace the affected supply with an alternate source of water
27 adequate in quantity ~~or~~ AND quality for the purposes served by
28 the supply. The department shall ensure the restored or replaced
29 water supply meets the applicable water quality standards
30 consistent with the Safe Drinking Water Act (Public Law 93-523,



1 21 U.S.C. § 349 and 42 U.S.C. §§ 201 and 300f et seq.), the act
2 of May 1, 1984 (P.L.206, No.43), known as the Pennsylvania Safe
3 Drinking Water Act, and OR predrilling or alteration water ←
4 quantity standards as determined by the department. The
5 Environmental Quality Board shall promulgate regulations
6 necessary to meet the requirements of this subsection.

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

22 (b.1) Toll-free telephone number.--The department shall
23 establish a single Statewide toll-free telephone number that
24 persons may use to report cases of water contamination. The
25 Statewide toll-free telephone number shall be provided in a
26 conspicuous manner in the notification required under section
27 3211(b.1) (relating to well permits) and, SHALL BE POSTED IN A ←
28 CONSPICUOUS PLACE AT THE DRILLING SITE AND SHALL BE POSTED on
29 the department's Internet website.

30 (b.2) Responses to calls.--The department shall develop

1 appropriate administrative responses to calls received on the
2 Statewide toll-free telephone number for water contamination.

3 (c) Presumption.--Unless rebutted by a defense established
4 in subsection (d), it shall be presumed that a well operator is
5 responsible for pollution of a water supply that is within 1,000
6 feet, or in the case of an unconventional well within 3,000 feet
7 FROM THE VERTICAL WELL BORE, of an oil or gas well, if pollution ←
8 occurred within 12 SIX MONTHS, OR IN THE CASE OF AN ←
9 UNCONVENTIONAL WELL WITHIN 12 months, after stimulation or ←
10 alteration of the UNCONVENTIONAL well. ←

11 (c.1) Requirement.--If the affected water supply is within
12 the rebuttable presumption area as provided in subsection (c)
13 and the rebuttable presumption applies and the water user is ←
14 without a readily available alternative source of water, the
15 operator shall provide a temporary water supply IF THE WATER ←
16 USER IS WITHOUT A READILY AVAILABLE ALTERNATIVE SOURCE OF WATER.
17 The temporary water supply provided under this subsection shall
18 be adequate in quantity and quality for the purposes served by
19 the supply.

20 (d) Defenses.--To rebut the presumption established under
21 subsection (c), a well operator must affirmatively prove any of
22 the following:

23 (1) The pollution existed prior to the drilling,
24 stimulation or alteration activities as determined by a
25 predrilling or prealteration survey.

26 (2) The landowner or water purveyor refused to allow the
27 operator access to conduct a predrilling or prealteration
28 survey.

29 (3) The water supply is not within 1,000 feet, or in the
30 case of an unconventional well within 3,000 feet, of the well ←

1 VERTICAL WELL BORE. ←

2 (4) The pollution occurred ~~more than 12 months~~ MORE THAN ←
3 SIX MONTHS, OR IN THE CASE OF AN UNCONVENTIONAL WELL MORE
4 THAN 12 MONTHS after drilling, stimulation or alteration
5 activities.

6 (5) The pollution occurred as the result of a cause
7 other than the drilling, stimulation or alteration activity.

8 (e) Independent certified laboratory.--An operator electing
9 to preserve a defense under subsection (d) (1) or (2) shall
10 retain an independent certified laboratory to conduct a
11 predrilling or prealteration survey of the water supply. A copy
12 of survey results shall be submitted to the department and the
13 landowner or water purveyor in the manner prescribed by the
14 department.

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

19 (g) Facility operation qualifications.--The department shall
20 ensure that a facility which seeks a National Pollutant
21 Discharge Elimination System permit for the purposes of treating
22 and discharging wastewater originating from oil and gas
23 activities into waters of this Commonwealth is operated by a
24 competent and qualified individual.

25 § 3218.1. Containment for unconventional wells.

26 (a) Sites.--Unconventional well pad sites shall be designed
27 and constructed to prevent spills to the ground surface or
28 spills off the well pad area. Containment practices shall meet
29 all of the following:

30 (1) Be instituted on the pad during both drilling and

1 hydraulic fracturing operations.

2 (2) Be sufficiently impervious and able to contain
3 spilled material or waste until it can be removed or treated.

4 (3) Be compatible with the waste material or waste
5 stored or used within the containment.

6 (b) Plan.--The applicant shall submit a plan to the
7 department describing the containment practices to be utilized
8 and the area of the well pad where containment systems will be
9 employed. The plan shall include a description of the equipment
10 to be kept onsite during drilling and hydraulic fracturing
11 operations to prevent a spill from leaving the well pad.

12 (c) Materials stored.--Containment systems shall be used
13 wherever any of the following are stored:

14 (1) Drilling mud.

15 (2) Hydraulic oil.

16 (3) Diesel fuel.

17 (4) Drilling mud additives.

18 (5) Hydraulic fracturing additives.

19 (6) Hydraulic fracturing flowback.

20 (d) Capacity.--Areas where any additives, chemicals, oils or
21 fuels are to be stored must have sufficient containment capacity
22 to hold the volume of the largest container stored in the area
23 plus 10% to allow for precipitation, unless the container is
24 equipped with individual secondary containment.

25 § 3218.2. Transportation records regarding wastewater fluids.

26 (a) Requirements.--A well operator that transports
27 wastewater fluids shall do all of the following:

28 (1) Maintain records for five years, in accordance with
29 regulations under subsection (b) and on a form approved by
30 the department, of the amount and destination of the fluids

1 transported.

2 (2) Make the records available to the department upon
3 request.

4 (b) Recordkeeping.--Recordkeeping requirements shall be
5 determined by the department and shall include the following:

6 (1) The number of gallons of wastewater fluids produced
7 in the drilling, stimulation or alteration of a well.

8 (2) Upon completion of the well, the name of the person
9 or company that transported the wastewater fluids to a
10 disposal site or to a location other than the well site.

11 (3) Each location where wastewater fluids were disposed
12 of or transported and the volumes that were disposed of at
13 the location.

14 (4) The method of disposal.

15 § 3218.3. Emergency response information.

16 The Pennsylvania Emergency Management Agency and the
17 department shall ~~adopt emergency regulations directing~~ REQUIRE ←
18 the operators of all unconventional wells to do all of the
19 following:

20 (1) Adopt a unique GPS coordinate address for each
21 unconventional well at both the access road entrance and well
22 pad site.

23 (2) Register that address with the agency, the
24 department and the county emergency management organization
25 within the county where the unconventional well is located.

26 (3) Require the development of an emergency response
27 plan and file that plan with the agency, the department and
28 the county emergency management organization with
29 jurisdiction over the unconventional well. The county shall
30 disseminate the GPS address and emergency response plan to

1 the local emergency management organization in which the
2 unconventional well is located.

3 (4) Post a reflective sign at the entrance to each well
4 site with the specific address of that site, the coordinates
5 for the site, the emergency contact number for the operator
6 and any other information as the agency or the department
7 deems necessary.

8 § 3218.4. NOTIFICATION TO PUBLIC DRINKING WATER SYSTEMS. ←

9 UPON RECEIVING NOTIFICATION OF SPILL THE DEPARTMENT SHALL,
10 AFTER INVESTIGATING THE INCIDENT, NOTIFY ANY PUBLIC DRINKING
11 WATER FACILITY THAT COULD BE AFFECTED BY THE EVENT THAT THE
12 EVENT OCCURRED. THE NOTIFICATION SHALL CONTAIN A BRIEF
13 DESCRIPTION OF THE EVENT AND ANY EXPECTED IMPACT ON WATER
14 QUALITY.

15 § 3218.5. CORROSION CONTROL REQUIREMENTS.

16 THE FOLLOWING SHALL APPLY TO CORROSION CONTROL REQUIREMENTS:

17 (1) ALL BURIED METALLIC STRUCTURES ASSOCIATED WITH GAS
18 WELLS INCLUDING PIPELINES, WELL CASINGS AND UNDERGROUND TANKS
19 MUST HAVE CORROSION PROTECTION MEASURES DESIGNED TO PROTECT
20 THE PIPELINE INSTALLED AND PLACED IN OPERATION IN ACCORDANCE
21 WITH REGULATIONS PROMULGATED BY THE ENVIRONMENTAL QUALITY
22 BOARD.

23 (2) PERMANENT ABOVEGROUND AND UNDERGROUND TANKS MUST
24 COMPLY WITH THE APPLICABLE CORROSION CONTROL REQUIREMENTS IN
25 THE DEPARTMENT'S REGULATIONS.

26 (3) THE CORROSION CONTROL PROCEDURES UNDER PARAGRAPHS
27 (1) AND (2) MUST BE CARRIED OUT BY OR UNDER THE DIRECTION OF
28 A PERSON QUALIFIED IN CORROSION METHODS.

29 (4) AN OPERATOR OF A NEW, REPLACED, RELOCATED OR
30 OTHERWISE CHANGED LINE MUST BE IN COMPLIANCE WITH THE

1 APPLICABLE REQUIREMENTS OF THIS SECTION BY THE DATE THE LINE
2 GOES INTO SERVICE.

3 § 3218.6. GATHERING LINES.

4 (A) REQUIREMENT.--OWNERS AND OPERATORS OF GATHERING LINES
5 SHALL COMPLY WITH SECTION 2(5)(I.1) OF THE ACT OF DECEMBER 10,
6 1974 (P.L.852, NO.287), REFERRED TO AS THE UNDERGROUND UTILITY
7 LINE PROTECTION LAW.

8 (B) DEFINITION.--AS USED IN THIS SECTION, THE TERM
9 "GATHERING LINES" MEANS A PIPELINE USED TO TRANSPORT NATURAL GAS
10 FROM A PRODUCTION FACILITY TO A TRANSMISSION LINE OR MAIN.

11 § 3219. Use of safety devices.

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

17 § 3220. Plugging requirements.

18 (a) General rule.--Upon abandoning a well, the owner or
19 operator shall plug it in the manner prescribed by regulation of
20 the department to stop vertical flow of fluids or gas within the
21 well bore, unless the department has granted inactive status for
22 the well or it has been approved by the department as an orphan
23 well. If the department determines that a prior owner or
24 operator received economic benefit, other than economic benefit
25 derived only as a landowner or from a royalty interest, after
26 April 18, 1979, from an orphan well or an unregistered well, the
27 owner or operator shall be responsible for plugging the well. In
28 the case of a gas well penetrating a workable coal seam which
29 was drilled prior to January 30, 1956, or which was permitted
30 after that date but not plugged in accordance with this chapter,

1 if the owner or operator or a coal operator or an agent proposes
2 to plug the well to allow mining through of it, the gas well
3 shall be cleaned to a depth of at least 200 feet below the coal
4 seam through which mining is proposed and, unless impracticable,
5 to a point 200 feet below the deepest mineable coal seam. The
6 gas well shall be plugged from that depth in accordance with
7 section 13 of the act of December 18, 1984 (P.L.1069, No.214),
8 known as the Coal and Gas Resource Coordination Act, and the
9 regulations of the department.

10 (b) Areas underlain by coal.--Prior to the plugging and
11 abandonment of a well in an area underlain by a workable coal
12 seam, the well operator or owner shall notify the department and
13 the coal operator, lessee or owner and submit a plat, on a form
14 to be furnished by the department, showing the location of the
15 well and fixing the date and time plugging will commence, which
16 shall be not less than three working days, nor more than 30
17 days, after the notice is received, to permit representatives of
18 the persons notified to be present at the plugging. Notice and
19 the right to be present may be waived by the department and the
20 coal operator, lessee or owner, but waiver by coal operator,
21 lessee or owner shall be in writing and a copy shall be attached
22 to the notice of abandonment filed with the department under
23 this section. Whether or not representatives attend, if the well
24 operator has fully complied with this section, the well operator
25 may proceed, at the time fixed, to plug the well in the manner
26 prescribed by regulation of the department. When plugging has
27 been completed, a certificate shall be prepared and signed, on a
28 form to be furnished by the department, by two experienced and
29 qualified people who participated in the work setting forth the
30 time and manner in which the well was plugged. One copy of the

1 certificate shall be mailed to each coal operator, lessee or
2 owner to whom notice was given by certified mail and another
3 shall be mailed to the department.

4 (c) Abandoned wells.--Prior to abandonment of a well, except
5 an uncompleted bore hole plugged immediately upon suspension of
6 drilling in an area not underlain by a workable coal seam, the
7 well operator shall notify the department of the intention to
8 plug and abandon the well and submit a plat, on a form to be
9 furnished by the department, showing the location of the well
10 and fixing the date and time at which plugging will commence,
11 which shall be not less than three working days, nor more than
12 30 days, after the notice is received, to permit a department
13 representative to be present at the plugging. The notice or
14 waiting period may be verbally waived by the department. In
15 noncoal areas where more than one well has been drilled as part
16 of the same development project and the wells are now to be
17 plugged, the department shall be given three working days'
18 notice prior to plugging the first well of the project, subject
19 to waiver of notice described in subsection (b). In the plugging
20 of subsequent wells, no additional notice shall be required if
21 plugging on the project is continuous. If plugging of subsequent
22 wells is delayed for any reason, notice shall be given to the
23 department of continuation of the project. Whether or not a
24 representative attends, if the well operator has fully complied
25 with this section, the well operator may proceed, at the time
26 fixed, to plug the well in the manner prescribed by regulation
27 of the department. When plugging has been completed, a
28 certificate shall be prepared, on a form to be furnished by the
29 department, by two experienced and qualified people who
30 participated in the work setting forth the time and manner in

1 which the well was plugged. A copy of the certificate shall be
2 mailed to the department.

3 (d) Wells abandoned upon completion of drilling.--If a well
4 is to be abandoned immediately after completion of drilling, the
5 well operator shall give at least 24 hours' notice by telephone,
6 confirmed by certified mail, to the department and to the coal
7 operator, lessee or owner, if any, fixing the date and time when
8 plugging will commence. Notice and the right to be present may
9 be waived by the department and the coal operator, lessee or
10 owner, if any. Whether or not representatives of the department
11 or coal operator, lessee or owner, if any, attend, if the well
12 operator has fully complied with the requirements of this
13 section, the well operator may proceed, at the time fixed, to
14 plug the well in the manner provided by regulation of the
15 department. The well operator shall prepare the certificate of
16 plugging and mail copies of the same as provided in subsection
17 (b).

18 (e) Orphan wells.--If a well is an orphan well or abandoned
19 without plugging, or if a well is in operation but not
20 registered under section 3213 (relating to well registration and
21 identification), the department may enter upon the well site and
22 plug the well and ~~to~~ sell equipment, casing and pipe at the site ←
23 which may have been used in production of the well in order to
24 recover the costs of plugging. The department shall make an
25 effort to determine ownership of a well which is in operation
26 but has not been registered and provide written notice to the
27 owner of pending action under this subsection. If the department
28 cannot determine ownership within 30 days, it may proceed under
29 this subsection. Costs of plugging shall have priority over all
30 liens on equipment, casing and pipe, and the sale shall be free

1 and clear of those liens to the extent that the cost of plugging
2 exceeds the sale price. If the amount obtained for casing and
3 pipe salvaged at the site is inadequate to pay for plugging, the
4 owner or operator of the abandoned or unregistered well shall be
5 liable for the additional costs.

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

11 § 3221. Alternative methods.

12 A well operator may request permission to use a method or
13 material other than those required by this chapter for casing,
14 plugging or equipping a well in an application to the department
15 which describes the proposed alternative in reasonable detail
16 and indicates the manner in which it will accomplish the goals
17 of this chapter. Notice of filing of the application shall be
18 given by the well operator by certified mail to any affected
19 coal operators, who may, within 15 days after the notice, file
20 objections to the proposed alternative method or material. If no
21 timely objections are filed or raised by the department, the
22 department shall determine whether to allow use of the proposed
23 alternative method or material.

24 § 3222. Well reporting requirements.

25 (a) General rule.--Except as provided in subsection (a.1),
26 each well operator shall file with the department, on a form
27 provided by the department, an annual report specifying the
28 amount of production, on the most well-specific basis available,
29 along with the status of each well, except that in subsequent
30 years only changes in status must be reported. The Commonwealth

1 may utilize reported information in enforcement proceedings, in
2 making designations or determinations under section 1927-A of
3 the act of April 9, 1929 (P.L.177, No.175), known as The
4 Administrative Code of 1929, or in aggregate form for
5 statistical purposes.

6 (a.1) Unconventional wells.--Each operator of a well which
7 produces gas from an unconventional well shall file with the
8 department, on a form provided by the department, a semiannual
9 report specifying the amount of production on the most well-
10 specific basis available. The initial report under this
11 subsection shall be filed on or before August 15, 2010, and
12 shall include production data from the preceding calendar year
13 and specify the status of each well. In subsequent reports, only
14 changes in status must be reported. Subsequent semiannual
15 reports shall be filed with the department on or before February
16 15 and August 15 of each year and shall include production data
17 from the preceding reporting period. The Commonwealth may
18 utilize reported information in enforcement proceedings, in
19 making designations or determinations under section 1927-A of
20 The Administrative Code of 1929 or in aggregate form for
21 statistical purposes. Beginning November 1, 2010, the department
22 shall make the reports available on its publicly accessible
23 Internet website. Costs incurred by the department to comply
24 with the requirements of this subsection shall be paid out of
25 the fees collected under section 3211(d) (relating to well
26 permits).

27 (b) Collection of data.--Well operators shall maintain a
28 record of each well drilled or altered. A record containing the
29 information required by the department, including the
30 information required under subsection (b.1), shall be filed

1 within 30 days after stimulation of the well. A completion
2 report containing any additional required information shall be
3 filed within 30 days after the stimulation of the well and shall
4 be kept on file by the department. Upon request of the
5 department, the well operator shall, within 90 days of
6 completion or recompletion of drilling, submit a copy of any
7 electrical, radioactive or other standard industry logs which
8 have been run and, upon request by the department within one
9 year, a copy of drill stem test charts, formation water
10 analysis, porosity, permeability or fluid saturation
11 measurements, core analysis and lithologic log or sample
12 description or other similar data as compiled. No information
13 shall be required unless the well operator had it compiled in
14 the ordinary course of business, and interpretation of data is
15 not required to be filed.

16 (b.1) Report contents.--The completion report shall contain
17 the operator's stimulation record which shall include the
18 following:

19 (1) A descriptive list of the chemical additives in the
20 stimulation fluids, including any acid, biocide, breaker,
21 brine, corrosion inhibitor, crosslinker, demulsifier,
22 friction reducer, gel, iron control, oxygen scavenger, pH
23 adjusting agent, proppant, scale inhibitor and surfactant.

24 (2) The percent by volume of each chemical additive in
25 the stimulation fluid.

26 (3) A list of the chemicals in the material safety data
27 sheets, by name and chemical abstract service number,
28 corresponding to the appropriate chemical additive.

29 (4) The percent by volume of each chemical list in the
30 material safety data sheets.

1 (5) The total volume of the base fluid.

2 (6) A list of water sources used under the approved
3 water management plan and the volume of water used.

4 (7) The pump rates and pressure used in the well.

5 (8) The total volume of recycled water used.

6 (b.2) Trade secret or confidential proprietary
7 information.--When an operator submits its stimulation record
8 under subsection (b.1), it may designate specific portions of
9 the stimulation record as containing a trade secret or
10 confidential proprietary information. The department shall
11 prevent disclosure of the designated confidential information to
12 the extent permitted by the act of February 14, 2008 (P.L.6,
13 No.3), known as the Right-to-Know Law, or other Federal or State
14 law.

15 (b.3) List of the chemical constituents.--In addition to
16 submitting a stimulation record to the department under
17 subsection (b.1) and subject to the protections afforded for
18 trade secrets and confidential proprietary information under the
19 Right-to-Know Law, the operator shall ARRANGE TO provide a list ←
20 of the chemical constituents of the chemical additives used to
21 hydraulically fracture a well, by name and chemical abstract
22 service number, unless the additive does not have a number, to
23 the department upon written request of the department.

24 (c) Drill cuttings and core samples.--Upon notification by
25 the department prior to commencement of drilling, the well
26 operator shall collect any additional data specified by the
27 department, including representative drill cuttings and samples
28 from cores taken and any other geological information that the
29 operator reasonably can compile. Interpretation of the data is
30 not required to be filed.

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

11 § 3223. Notification and effect of well transfer.

12 The owner or operator of a well shall notify the department
13 in writing within 30 days, in a form directed by regulation, of
14 sale, assignment, transfer, conveyance or exchange by or to the
15 owner of the well. A transfer shall not relieve the well owner
16 or operator of an obligation accrued under this chapter, nor
17 shall it relieve the owner or operator of an obligation to plug
18 the well until the requirements of section 3225 (relating to
19 bonding) have been met, at which time the transferring owner or
20 operator shall be relieved from all obligations under this
21 chapter, including the obligation to plug the well.

22 § 3224. Coal operator responsibilities.

23 (a) General rule.--At any time prior to removing coal or
24 other underground materials from, or extending the workings in,
25 a coal mine within 500 feet of an oil or gas well of which the
26 coal operator has knowledge, or within 500 feet of an approved
27 well location of which the coal operator has knowledge, the coal
28 operator, by certified mail, shall forward to or file with the
29 well operator and the department a copy of the relevant part of
30 all maps and plans which it is presently required by law to

1 prepare and file with the department, showing the pillar which
2 the coal operator proposes to leave in place around each oil or
3 gas well in the projected workings. Thereafter, the coal
4 operator may proceed with mining operations in the manner
5 projected on the maps and plans, but the operator may not remove
6 coal or cut a passageway within 150 feet of the well or approved
7 well location without written approval under this section. If,
8 in the opinion of the well operator or the department, the plan
9 indicates that the proposed pillar is inadequate to protect
10 either the integrity of the well or public health and safety,
11 the affected well operator shall attempt to reach an agreement
12 with the coal operator on a suitable pillar, subject to approval
13 of the department. Upon failure to agree, the well operator may,
14 within ten days after receipt of the proposed plan under this
15 section, file objections under section 3251 (relating to
16 conferences), indicating the size of the pillar to be left as to
17 each well. If objections are not timely filed and the department
18 has none, the department shall grant approval, reciting that
19 maps and plans have been filed, no objections have been made
20 thereto and the pillar proposed to be left for each well is
21 approved in the manner as projected.

22 (b) Objections.--If an objection is filed by the well
23 operator or raised by the department, the department shall order
24 that a conference be held under section 3251 within ten days of
25 the filing of objections. At the conference, the coal operator
26 and the person who has objected shall attempt to agree on a
27 proposed plan, showing the pillar to be left around each well,
28 which will satisfy the objections and receive department
29 approval. If an agreement is reached, the department shall grant
30 approval to the coal operator, reciting that a plan has been

1 filed and the pillar to be left for each well is approved
2 pursuant to the agreement. If an agreement is not reached on a
3 plan showing the pillar to be left with respect to a well, the
4 department, by appropriate order, shall determine the pillar to
5 be left with respect to the well. In a proceeding under this
6 section, the department shall follow as nearly as is possible
7 the original plan filed by the coal operator. The department
8 shall not require the coal operator to leave a pillar in excess
9 of 100 feet in radius, except that the department may require a
10 pillar of up to 150 feet in radius if the existence of unusual
11 conditions is established. Pillars determined by the department
12 shall be shown on maps or plans on file with the department as
13 provided in subsection (a) and the department shall approve the
14 pillar to be left for each well.

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

20 (1) follow the appropriate procedure under subsection
21 (a) or (b);

22 (2) by appropriate order, determine a plan involving a
23 pillar of a smaller size as to any well covered by the
24 application; and

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

27 (d) Violation.--No coal operator, without written approval
28 of the department after notice and opportunity for a hearing
29 under this section, shall remove coal or cut a passageway so as
30 to leave a pillar of smaller size, with respect to an oil or gas

1 well, than that approved by the department under this chapter.

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

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

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

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

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

23 § 3225. Bonding.

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

25 (1) Except as provided in subsection (d), upon filing an
26 application for a well permit, and before continuing to
27 operate an oil or gas well, the owner or operator of the well
28 shall file with the department a bond covering the well and
29 well site on a form to be prescribed and furnished by the
30 department. A bond filed with an application for a well

1 permit shall be payable to the Commonwealth and conditioned
2 upon the operator's faithful performance of all drilling,
3 water supply replacement, restoration and plugging
4 requirements of this chapter. A bond for a well in existence
5 on April 18, 1985, shall be payable to the Commonwealth and
6 conditioned upon the operator's faithful performance of all
7 water supply replacement, restoration and plugging
8 requirements of this chapter. The amount of the bond required
9 shall be in the following amounts and shall be adjusted by
10 the Environmental Quality Board every three years to reflect
11 the projected costs to the Commonwealth of plugging the well:

12 (i) For a well which is less than 6,000 feet in
13 depth and which is permitted prior to the effective date
14 of this section, \$2,500. The operator shall not be
15 required to provide a bond under this paragraph which
16 exceeds \$25,000. The bond amount may be adjusted by the
17 Environmental Quality Board every two years to reflect
18 the projected costs to the Commonwealth of performing
19 well plugging.

20 (ii) For a well which is less than 6,000 feet in
21 bore length and which is permitted after the effective
22 date of this section, \$3,500. The operator shall not be
23 required to provide a bond under this paragraph which
24 exceeds \$40,000.

25 (iii) For wells with a total well bore length
26 greater than 6,000 feet:

27 (A) For operating up to 25 wells, \$10,000 per
28 well, provided the operator may not be required to
29 provide a bond under this section exceeding ~~\$120,000~~
30 \$140,000.



1 (B) For operating 26 to 50 wells, ~~\$120,000~~ ←
2 \$140,000 plus \$10,000 per well for each well in ←
3 excess of 25 wells, provided the operator may not be
4 required to provide a bond under this section
5 exceeding ~~\$240,000~~ \$290,000. ←

6 (C) For operating 51 to 150 wells, ~~\$240,000~~ ←
7 \$290,000 plus \$10,000 per well for each well in ←
8 excess of 50 wells, provided the operator may not be
9 required to provide a bond under this section
10 exceeding ~~\$360,000~~ \$430,000. ←

11 (D) For operating more than 150 wells, ~~\$360,000~~ ←
12 \$430,000 plus \$10,000 per well for each well in ←
13 excess of 150 wells, provided the operator may not be
14 required to provide a bond under this section
15 exceeding ~~\$500,000~~ \$600,000. ←

16 (2) In lieu of individual bonds for each well, an owner
17 or operator may file a blanket bond, for the appropriate
18 amount as indicated under paragraph (1), on a form prepared
19 by the department, covering all of its wells in this
20 Commonwealth, as enumerated on the bond form.

21 (3) Liability under the bond shall continue until the
22 well has been properly plugged in accordance with this
23 chapter and for a period of one year after filing of the
24 certificate of plugging with the department. Each bond shall
25 be executed by the operator and a corporate surety licensed
26 to do business in this Commonwealth and approved by the
27 secretary. In lieu of a corporate surety, the operator may
28 deposit with the department:

29 (i) cash;

30 (ii) certificates of deposit or automatically

1 renewable irrevocable letters of credit, from financial
2 institutions chartered or authorized to do business in
3 this Commonwealth and regulated and examined by the
4 Commonwealth or a Federal agency, which may be terminated
5 at the end of a term only upon 90 days' prior written
6 notice by the financial institution to the permittee and
7 the department;

8 (iii) negotiable bonds of the United States
9 Government or the Commonwealth, the Pennsylvania Turnpike
10 Commission, the State Public School Building Authority or
11 any municipality within the Commonwealth; or

12 (iv) United States Treasury Bonds issued at a
13 discount without a regular schedule of interest payments
14 to maturity, otherwise known as Zero Coupon Bonds, having
15 a maturity date of not more than ten years after the date
16 of purchase and at the maturity date having a value under
17 paragraph (1). The cash deposit, certificate of deposit,
18 amount of the irrevocable letter of credit or market
19 value of the securities shall be equal at least to the
20 sum of the bond.

21 (4) The secretary shall, upon receipt of a deposit of
22 cash, letters of credit or negotiable bonds, immediately
23 place the same with the State Treasurer, whose duty it shall
24 be to receive and hold the same in the name of the
25 Commonwealth, in trust, for the purpose for which the deposit
26 is made.

27 (5) The State Treasurer shall at all times be
28 responsible for custody and safekeeping of deposits. The
29 operator making the deposit shall be entitled from time to
30 time to demand and receive from the State Treasurer, on the

1 written order of the secretary, the whole or any portion of
2 collateral deposited, upon depositing with the State
3 Treasurer, in lieu of that collateral, other collateral of
4 classes specified in this section having a market value at
5 least equal to the sum of the bond, and also to demand,
6 receive and recover the interest and income from the
7 negotiable bonds as they become due and payable.

8 (6) If negotiable bonds on deposit under this subsection
9 mature or are called, the State Treasurer, at the request of
10 the owner of the bonds, shall convert them into other
11 negotiable bonds, of classes specified in this section,
12 designated by the owner.

13 (7) If notice of intent to terminate a letter of credit
14 is given, the department shall give the operator 30 days'
15 written notice to replace the letter of credit with other
16 acceptable bond guarantees as provided in this section. If
17 the owner or operator fails to timely replace the letter of
18 credit, the department shall draw upon and convert the letter
19 of credit into cash and hold it as a collateral bond
20 guarantee.

21 (b) Release.--No bond shall be fully released until the
22 requirements of subsection (a) and section 3223 (relating to
23 notification and effect of well transfer) have been fully met.
24 Upon release of bonds and collateral under this section, the
25 State Treasurer shall immediately return to the owner the
26 specified amount of cash or securities.

27 (c) Noncompliance.--If a well owner or operator fails or
28 refuses to comply with subsection (a), regulations promulgated
29 under this chapter or conditions of a permit relating to this
30 chapter, the department may declare the bond forfeited and shall

1 certify the same to the Attorney General, who shall proceed to
2 enforce and collect the full amount of the bond and, if the well
3 owner or operator has deposited cash or securities as collateral
4 in lieu of a corporate surety, the department shall declare the
5 collateral forfeited and direct the State Treasurer to pay the
6 full amount of the funds into the Well Plugging Restricted
7 Revenue Account or to sell the security to the extent forfeited
8 and pay the proceeds into the Well Plugging Restricted Revenue
9 Account. If a corporate surety or financial institution fails to
10 pay a forfeited bond promptly and in full, the corporate surety
11 or financial institution shall be disqualified from writing
12 further bonds under this chapter or any other environmental law
13 administered by the department. A person aggrieved by reason of
14 forfeiting the bond or converting collateral, as provided in
15 this section, shall have a right to appeal to the Environmental
16 Hearing Board in the manner provided by law. Upon forfeiture of
17 a blanket bond for a violation occurring at one or more well
18 sites, the person whose bond is forfeited shall, within ten days
19 of the forfeiture, submit a replacement bond to cover all other
20 wells of which the person is an owner or operator. Failure to
21 submit the replacement bond constitutes a violation of this
22 section as to each of the wells owned or operated by the person.

23 (d) Alternatives to certain bonds.--The following shall
24 apply:

25 (1) An operator of not more than 200 wells that cannot
26 obtain a bond for a well drilled prior to April 18, 1985, as
27 required under subsection (a), due to inability to
28 demonstrate sufficient financial resources may, in lieu of
29 the bond:

30 (i) Submit to the department a fee in the amount of

1 \$50 per well, a blanket fee of \$500 for ten to 20 wells
2 or a blanket fee of \$1,000 for more than 20 wells, which
3 shall be a nonrefundable fee paid each year that the
4 operator has not filed a bond with the department. All
5 fees collected in lieu of a bond under this subsection
6 shall be used for the purposes authorized by this
7 chapter. The Environmental Quality Board shall have the
8 power, by regulation, to increase the amount of the fees
9 established under this subsection.

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

12 (A) Payment shall be based on the number of
13 wells owned or operated. The operator shall make an
14 initial deposit and make annual deposits in
15 accordance with the schedule in clause (B). Interest
16 accumulated by the collateral shall become a part of
17 the bond until the collateral plus accumulated
18 interest equals the amount of the required bond. The
19 collateral shall be deposited, in trust, with the
20 State Treasurer as provided in this subsection or
21 with a bank selected by the department which shall
22 act as trustee for the benefit of the Commonwealth to
23 guarantee the operator's compliance with the
24 drilling, water supply replacement, restoration and
25 plugging requirements of this chapter. The operator
26 shall be required to pay all costs of the trust.

27 (B) An operator of up to ten existing wells that
28 does not intend to operate additional wells shall
29 deposit \$250 per well and shall, thereafter, annually
30 deposit \$50 per well until the obligations of this

1 section are fully met. An operator of 11 to 25 wells
2 or an operator of up to ten wells that applies for
3 one or more permits for additional wells shall
4 deposit \$2,000 and shall, thereafter, annually
5 deposit \$1,150 plus \$150 for each additional well to
6 be permitted that year until the obligations of this
7 section are fully met. An operator of 26 to 50 wells
8 shall deposit \$3,000 and shall, thereafter, annually
9 deposit \$1,300 plus \$400 for each additional well to
10 be permitted that year until the obligations of this
11 section are fully met. An operator of 51 to 100 wells
12 shall deposit \$4,000 and shall, thereafter, annually
13 deposit \$1,500 plus \$400 for each additional well to
14 be permitted that year until the obligations of this
15 section are fully met. Operators of 101 to 200 wells
16 shall deposit \$8,000 and shall, thereafter, annually
17 deposit \$1,600 plus \$1,000 for each additional well
18 to be permitted that year until the obligations of
19 this section are fully met. Operators of more than
20 200 wells shall fully bond their wells immediately.

21 (C) The department shall reduce the amount of
22 phased collateral payments or the period of time over
23 which phased collateral payments shall be made on
24 behalf of owners or operators that, prior to August
25 3, 1992, have paid a fee in lieu of bond under
26 subparagraph (i), and that, by August 3, 1993, chose
27 to enter the phased collateral program under this
28 subparagraph rather than continue to make payments in
29 lieu of bond. Payments made prior to August 3, 1992,
30 in lieu of bond shall not be credited in any other

1 manner, and the department shall not be required to
2 refund the fees. The Environmental Quality Board, by
3 regulation, may change the annual deposits
4 established under clause (B) if necessary to
5 accommodate a change in the amount of the bond
6 required under this section.

7 (2) An operator may continue to pay a fee in lieu of
8 bond or make phased deposits of collateral to fully
9 collateralize the bond so long as the operator does not miss
10 a payment under this subsection and remains in compliance
11 with this chapter. If an operator misses a payment under this
12 subsection, the operator shall immediately: ←

13 (i) IMMEDIATELY submit the appropriate bond amount ←
14 in full; or

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

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

17 (1) An individual who is unable to obtain a bond to
18 drill new wells due to inability to demonstrate financial
19 resources may meet the collateral bond requirements of
20 subsection (a) by making phased deposits of collateral to
21 fully collateralize the bond. The individual shall be limited
22 to drilling ten new wells per calendar year and, for each
23 well to be drilled, deposit \$500 and make an annual deposit
24 of 10% of the remaining bond amount for a period of ten
25 years. Interest accumulated shall become a part of the bond
26 until the collateral plus accumulated interest equal the
27 amount of the required bond. The collateral shall be
28 deposited in trust with the State Treasurer under subsection
29 (a) or with a bank selected by the department which shall act
30 as trustee for the benefit of the Commonwealth to guarantee

1 the individual's compliance with the drilling, water supply
2 replacement, restoration and plugging requirements of this
3 chapter. The individual shall pay all costs of the trust.

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

9 (i) immediately submit the appropriate bond amount
10 in full; or

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

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

14 (e) Reservation of remedies.--All remedies ~~violating~~ FOR ←
15 VIOLATIONS OF this chapter, regulations adopted under this
16 chapter and conditions of permits are expressly preserved.
17 Nothing in this section shall be construed as an exclusive
18 penalty or remedy for violations of law. No action taken under
19 this section shall waive or impair any other remedy or penalty
20 provided in law.

21 (f) Change of law.--Owners or operators that have failed to
22 meet the requirements of this section shall not be required to
23 make payments under this section on a retroactive basis as a
24 condition of obtaining a permit under this chapter, nor shall
25 the failure be deemed a violation of this chapter.

26 § 3226. Oil and Gas Technical Advisory Board.

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

1 (1) Three individuals, each of whom shall be:
2 (i) a petroleum engineer;
3 (ii) a petroleum geologist; or
4 (iii) an experienced driller representative of the
5 oil and gas industry with three years of experience in
6 this Commonwealth.

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

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

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

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

22 (d) Consultation.--The department shall consult with the
23 board in the formulation, drafting and presentation stages of
24 all regulations of a technical nature promulgated under this
25 chapter. The board shall be given a reasonable opportunity to
26 review and comment on all regulations of a technical nature
27 prior to submission to the Environmental Quality Board for
28 initial consideration. The written report of the board shall be
29 presented to the Environmental Quality Board with any regulatory
30 proposal. The chairman of the board shall be invited to

1 participate in the presentation of all regulations of a
2 technical nature before the Environmental Quality Board to the
3 extent allowed by procedures of the Environmental Quality Board.
4 Nothing herein shall preclude any member of the board from
5 filing a petition for rulemaking with the Environmental Quality
6 Board in accordance with procedures established by the
7 Environmental Quality Board.

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 rule.--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 of the storage reservoir:

28 (i) Name of the operator.

29 (ii) Date drilled.

30 (iii) Total depth.

1 (iv) Depth of production if the well was productive
2 of oil or gas.

3 (v) Initial rock pressure and volume.

4 (vi) Depths at which all coal seams were
5 encountered.

6 (vii) A copy of the driller's log or other similar
7 information.

8 (5.1) At the time of the filing of the maps and data, a
9 statement shall be filed:

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

12 (ii) affirming that the wells shown represent, to
13 the best of the operator's knowledge, all oil or gas
14 wells which have ever been drilled into or below the
15 storage stratum within the proposed storage reservoir or
16 within the reservoir protective area;

17 (iii) stating whether the initial injection is for
18 testing purposes;

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

21 (v) providing a detailed explanation of the methods
22 to be used or which previously have been used in
23 drilling, cleaning out, reconditioning and plugging wells
24 in the storage reservoir or within the reservoir
25 protective area.

26 (6) The map and data required to be filed under
27 paragraphs (5) and (5.1) shall be amended or supplemented
28 semiannually if material changes occur. The department may
29 require a storage operator to amend or supplement the map or
30 data at more frequent intervals if material changes have

1 occurred justifying the earlier filing.

2 (b) Other reporting requirements.--A person who is injecting
3 gas into or storing gas in a storage reservoir not at the time
4 subject to subsection (a), by a process other than that of
5 secondary recovery or gas recycling, shall, within 60 days, or a
6 longer period set by departmental regulations, file maps and
7 data required by departmental regulation and as follows:

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

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

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

18 (ii) the geographic location of the outside
19 boundaries of the storage reservoir; and

20 (iii) the location of all known oil or gas wells
21 within the reservoir, or within 3,000 linear feet
22 thereof, which have been drilled into or through the
23 storage stratum, indicating which have been or are to be
24 cleaned out and plugged or reconditioned for storage and
25 the proposed location of all additional wells which are
26 to be drilled within the storage reservoir or within
27 3,000 linear feet thereof.

28 (3) The following, if available, shall be furnished for
29 all known oil or gas wells which have been drilled into or
30 through the storage stratum within the storage reservoir or

1 within 3,000 linear feet of the storage reservoir:

2 (i) Name of the operator.

3 (ii) Date drilled.

4 (iii) Total depth.

5 (iv) Depth of production if the well was productive
6 of oil or gas.

7 (v) Initial rock pressure and volume.

8 (vi) A copy of the driller's log or other similar
9 information.

10 (3.1) At the time of the filing of the maps and data, a
11 statement shall be filed:

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

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

18 (iii) stating whether the initial injection is for
19 testing purposes;

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

22 (v) providing a detailed explanation of the methods
23 to be used or which previously have been used in
24 drilling, cleaning out, reconditioning and plugging wells
25 in the storage reservoir.

26 (4) The map and data required to be filed under
27 paragraphs (3) and (3.1) shall be amended or supplemented
28 semiannually if material changes occur. The department may
29 require a storage operator to amend or supplement the map or
30 data at more frequent intervals if material changes have

1 occurred justifying the earlier filing.

2 (c) Political subdivisions.--Storage operators shall give
3 notice to the department of the name of each political
4 subdivision and county in which the operator maintains and
5 operates a gas storage reservoir.

6 (d) Notice to affected persons.--At the time of the filing
7 of maps and data and the filing of amended or supplemental maps
8 or data required by this section, the person filing the
9 information shall give written notice of the filing to all
10 persons who may be affected under the provisions of this chapter
11 by the storage reservoir described in the maps or data. Notices
12 shall contain a description of the boundaries of the storage
13 reservoir. When a person operating a coal mine or owning an
14 interest in coal properties which are or may be affected by the
15 storage reservoir requests, in writing, a copy of any map or
16 data filed with the department, the copy shall be furnished by
17 the storage operator.

18 (e) Outside boundaries.--For purposes of this chapter, the
19 outside boundaries of a storage reservoir shall be defined by
20 the location of those wells around the periphery of the storage
21 reservoir which had no gas production when drilled in the
22 storage stratum. The boundaries shall be originally fixed or
23 subsequently changed if, based on the number and nature of the
24 wells and the geological and production knowledge of the storage
25 stratum, its character, permeability, distribution and operating
26 experience, it is determined in a conference under section 3251
27 (relating to conferences) that modifications should be made.

28 (f) Inapplicability of section.--The requirements of this
29 section shall not apply to the operator of an underground gas
30 storage reservoir so long as the reservoir is located more than

1 10,000 linear feet from an operating coal mine, except that the
2 storage operator shall give notice to the department of the name
3 of each political subdivision and county in which the operator
4 maintains and operates a gas storage reservoir. In political
5 subdivisions and counties where both gas storage reservoirs and
6 coal mines are being operated, the department may request the
7 storage operator to furnish maps showing geographical locations
8 and outside boundaries of the storage reservoirs. The department
9 shall keep a record of the information and promptly notify the
10 coal operator and the storage operator when notified by them
11 that the coal mine and storage reservoir are within 10,000
12 linear feet of each other.

13 § 3232. Reporting requirements for coal mining operations.

14 (a) General rule.--A person owning or operating a coal mine
15 shall file with the department a map prepared and sealed by a
16 competent individual licensed as a professional engineer or
17 professional land surveyor under the provisions of the act of
18 May 23, 1945 (P.L.913, No.367), known as the Engineer, Land
19 Surveyor and Geologist Registration Law, showing the outside
20 coal boundaries of the operating coal mine, the existing
21 workings and exhausted areas and the relationship of the
22 boundaries to identifiable surface properties and landmarks. A
23 person owning or operating an operating coal mine which has been
24 penetrated by a well shall furnish a mine map to the department
25 each year indicating the excavations for the preceding year and
26 the projections for the ensuing year. The map required by this
27 subsection shall be furnished to a person storing or
28 contemplating the storage of gas in the vicinity of operating
29 coal mines shall, upon written request, by the coal operator,
30 and the person and the department shall thereafter be informed

1 of any boundary changes at the time the changes occur. The
2 department shall keep a record of the information and promptly
3 notify the coal operator and storage operator when notified by
4 them that the coal mine and the storage reservoir are within
5 10,000 linear feet of each other.

6 (b) Mines near certain reservoirs.--A person owning or
7 operating any coal mine which is or which comes within 10,000
8 linear feet of a storage reservoir and where the coal seam being
9 operated extends over the storage reservoir or reservoir
10 protective area shall, within 45 days after receiving notice
11 from the storage operator of that fact, file with the department
12 and furnish to the person operating the storage reservoir a map
13 in the form required by subsection (a) showing, in addition to
14 the requirements of subsection (a), existing and projected
15 excavations and workings of the operating coal mine for the
16 ensuing 18-month period and the location of oil or gas wells of
17 which the coal operator has knowledge. The person owning or
18 operating the coal mine shall, each six months thereafter, file
19 with the department and furnish to the person operating the
20 storage reservoir a revised map showing any additional
21 excavations and workings, together with the projected
22 excavations and workings for the then ensuing 18-month period,
23 which may be within 10,000 linear feet of the storage reservoir.
24 The department may require a coal operator to file revised maps
25 at more frequent intervals if material changes have occurred
26 justifying earlier filing. The person owning or operating the
27 coal mine shall also file with the department and furnish the
28 person operating the reservoir prompt notice of any wells which
29 have been cut into, together with all available pertinent
30 information.

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

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

12 (e) New mines.--A person intending to establish or
13 reestablish an operating coal mine which will be over a storage
14 reservoir or within 2,000 linear feet of a storage reservoir or
15 may within nine months thereafter be expected to be within 2,000
16 linear feet of a storage reservoir shall immediately notify the
17 department and storage operator in writing. Notice shall include
18 the date on which the person intends to establish or reestablish
19 the operating coal mine.

20 (f) Misdemeanor.--A person who serves notice as required by
21 this subsection of an intention to establish or reestablish an
22 operating coal mine, without intending in good faith to
23 establish or reestablish the mine, is liable for continuing
24 damages to a storage operator injured by the improper notice and
25 commits a misdemeanor subject to the penalties of section 3255
26 (relating to penalties).

27 § 3233. General gas storage reservoir operations.

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

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

5 (2) Plug or recondition, as provided in departmental
6 regulations, all known wells drilled into or through the
7 storage reservoir, except to the extent otherwise provided in
8 subsections (b) and (c).

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

12 (b.1) Wells plugged prior to enactment of section.--If a
13 well located in the storage reservoir area has been plugged
14 prior to April 18, 1985, and on the basis of data, information
15 and other evidence submitted to the department, it is determined
16 that the plugging was done in the manner required by section
17 3220 or approved as an alternative method under section 3221
18 (relating to alternative methods) and the plugging is still
19 sufficiently effective to meet the requirements of this chapter,
20 the obligations under subsection (a) with regard to plugging the
21 well shall be considered to have been fully satisfied.

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

23 (1) To comply with subsection (a), wells which are to be
24 reconditioned shall, unless the department by regulation
25 specifies a different procedure, be cleaned out from the
26 surface through the storage horizon, and the producing casing
27 and casing strings determined not to be in good physical
28 condition shall be replaced with new casing, using the same
29 procedure as is applicable to drilling a new well under this
30 chapter. In the case of wells to be used for gas storage, the

1 annular space between each string of casing and the annular
2 space behind the largest diameter casing to the extent
3 possible shall be filled to the surface with cement or
4 bentonitic mud or a nonporous material approved by the
5 department under section 3221. At least 15 days prior to
6 reconditioning, the storage operator shall give notice to the
7 department, setting forth in the notice the manner in which
8 it is planned to recondition the well and any pertinent data
9 known to the storage operator which will indicate the
10 condition of the well existing at that time. In addition, the
11 storage operator shall give the department at least 72 hours'
12 notice of the time when reconditioning is to begin. If no
13 objections are raised by the department within ten days, the
14 storage operator may proceed with reconditioning in
15 accordance with the plan as submitted. If objections are made
16 by the department, the department may fix a time and place
17 for a conference under section 3251 (relating to conferences)
18 at which the storage operator and department shall endeavor
19 to agree on a plan to satisfy the objections and meet the
20 requirements of this section. If no agreement is reached, the
21 department may, by an appropriate order, determine whether
22 the plan as submitted meets the requirements of this section
23 or what changes, if any, are required. If, in reconditioning
24 a well in accordance with the plan, physical conditions are
25 encountered which justify or necessitate a change in the
26 plan, the storage operator may request that the plan be
27 changed. If the request is denied, the department shall fix a
28 conference under section 3251 and proceed in the same manner
29 as with original objections. An application may be made in
30 the manner prescribed by section 3221 for approval of an

1 alternative method of reconditioning a well. If a well
2 located within the storage reservoir was reconditioned, or
3 drilled and equipped, prior to April 18, 1985, the
4 obligations imposed by subsection (a), as to reconditioning
5 the well, shall be considered fully satisfied if, on the
6 basis of the data, information and other evidence submitted
7 to the department, it is determined that:

8 (i) The conditioning or previous drilling and
9 equipping was done in the manner required in this
10 subsection, in regulations promulgated under this chapter
11 or in a manner approved as an alternative method in
12 accordance with section 3221.

13 (ii) The reconditioning or previous drilling and
14 equipping is still sufficiently effective to meet the
15 requirements of this chapter.

16 (2) If a well requires emergency repairs, this chapter
17 shall not be construed to require the storage operator to
18 give any notice required by this subsection before making the
19 repairs.

20 (d) Exception.--The requirements of subsection (a) shall not
21 apply to injection of gas into a stratum when the sole purpose
22 of injection, referred to in this subsection as testing, is to
23 determine whether the stratum is suitable for storage purposes.
24 Testing shall be conducted only in compliance with the following
25 requirements:

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

30 (2) The storage operator shall give at least six months'

1 written notice to the department of the fact that injection
2 of gas for testing purposes is proposed.

3 (3) If the department has objections, the department
4 shall fix a time and place for a conference under section
5 3251, not more than ten days from the date of notice to the
6 storage operator, at which time the storage operator and
7 department shall attempt to resolve the issues presented. If
8 an agreement cannot be reached, the department may issue an
9 appropriate order.

10 (e) Failure to execute lawful order.--In a proceeding under
11 this chapter, if the department determines that an operator of a
12 storage reservoir has failed to carry out a lawful order issued
13 under this chapter, the department may require the operator to
14 suspend operation of the reservoir and withdraw the gas until
15 the violation is remedied, in which case the storage operator,
16 limited by due diligence insofar as existing facilities utilized
17 to remove gas from the reservoir will permit, shall:

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

20 (2) in any event, remove the maximum amount which can be
21 withdrawn in accordance with recognized engineering and
22 operating procedures.

23 (f) Duty of storage reservoir operator.--The following shall
24 apply:

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

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

30 (ii) Operate and maintain the reservoir and its

1 facilities as prescribed by departmental regulations and
2 at a pressure which will prevent gas from escaping, but
3 the pressure shall not exceed the highest rock pressure
4 found to have existed during the production history of
5 the reservoir or another high pressure limit approved by
6 the department after holding a conference under section
7 3251 based on geological and production knowledge of the
8 reservoir, its character, permeability distribution and
9 operating experience.

10 (2) The duty under paragraph (1) shall not be construed
11 to include inability to prevent the escape of gas when gas
12 escapes as a result of an act of God or a person not under
13 the control of the storage operator. In that instance, the
14 storage operator shall have a duty to take action reasonably
15 necessary to prevent further escape of gas. This paragraph
16 does not apply to a well which the storage operator failed to
17 locate and make known to the department.

18 § 3234. Gas storage reservoir operations in coal areas.

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

23 (1) Use every known reasonable method for discovering
24 and locating all wells which have or may have been drilled
25 into or through the storage stratum in the acreage lying
26 within the outside coal boundaries of the operating coal mine
27 overlying the storage reservoir or the reservoir protective
28 area.

29 (2) Plug or recondition, as provided by section 3220
30 (relating to plugging requirements) and subsection (e), all

1 known wells, except to the extent provided in subsections
2 (e), (f), (g) and (h), drilled into or through the storage
3 stratum and located within the portion of the acreage of the
4 operating coal mine overlying the storage reservoir or the
5 reservoir protective area. If an objection is raised as to
6 use of a well as a storage well and after a conference under
7 section 3251 (relating to conferences) it is determined by
8 the department, taking into account all circumstances and
9 conditions, that the well should not be used as a storage
10 well, the well shall be plugged unless, in the opinion of the
11 storage operator, the well may be used as a storage well in
12 the future, in which case, upon approval of the department
13 after taking into account all circumstances and conditions,
14 the storage operator may recondition and inactivate the well
15 rather than plug it.

16 (3) The requirements of paragraph (2) shall be deemed to
17 have been fully complied with if, as the operating coal mine
18 is extended, all wells which from time to time come within
19 the acreage described in paragraph (2) are reconditioned or
20 plugged as provided in section 3220 and subsection (e) or (f)
21 so that, by the time the coal mine has reached a point within
22 2,000 linear feet of the wells, they will have been
23 reconditioned or plugged in accordance with section 3220 and
24 subsection (e) or (f).

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

29 (1) That the map and any supplemental maps required by
30 section 3231(a) (relating to reporting requirements for gas

1 storage operations) have been prepared and filed in
2 accordance with section 3231.

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

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

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

10 (b.1) Order of department.--If the statement required under
11 subsection (b) is not filed by the storage reservoir operator
12 within the time specified by this chapter or the regulations of
13 the department, the department may order the operator to file
14 the statement.

15 (c) Procedure.--Within 120 days after receipt of a statement
16 required by this section, the department may direct that a
17 conference be held in accordance with section 3251 to determine
18 whether the requirements of section 3231 and subsection (a) have
19 been fully met. At the conference, if any person believes the
20 requirements have not been fully met, the parties shall attempt
21 to agree on additional actions to be taken and the time for
22 completion, subject to approval of the department. If an
23 agreement cannot be reached, the department shall make a
24 determination and, if the department determines any requirements
25 have not been met, the department shall issue an order
26 specifying in detail the extent to which the requirements have
27 not been met and the actions which the storage operator must
28 complete to meet the requirements. The order shall grant as much
29 time as is reasonably necessary to fully comply. If the storage
30 operator encounters conditions not known to exist at the time of

1 issuance of the order and which materially affect the validity
2 of the order or the ability of the storage operator to comply
3 with it, the storage operator may apply for a rehearing or
4 modification of the order.

5 (d) Notification.--If, in complying with subsection (a), a
6 storage operator, after filing the statement provided for in
7 subsection (b), plugs or reconditions a well, the storage
8 operator shall notify the department and the coal operator
9 affected, in writing, setting forth facts indicating the manner
10 in which the plugging or reconditioning was done. Upon receipt
11 of the notification, the coal operator or department may request
12 a conference under section 3251.

13 (e) Plugging wells.--In order to meet the requirements of
14 subsection (a), wells which are to be plugged shall be plugged
15 in the manner specified in regulations promulgated under section
16 3211 (relating to well permits). When a well located within the
17 storage reservoir or the reservoir protective area has been
18 plugged prior to April 18, 1985, and, on the basis of the data
19 information and other evidence submitted to the department, it
20 is determined that the plugging was done in the manner required
21 by section 3220, or in a manner approved as an alternative
22 method in accordance with section 3221 (relating to alternative
23 methods), and the plugging is still sufficiently effective to
24 meet the requirements of this chapter, the requirements of
25 subsection (a) as to plugging the well shall be considered to
26 have been fully satisfied.

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

28 (1) In order to comply with subsection (a), unless the
29 department by regulation specifies a different procedure,
30 wells which are to be reconditioned shall be cleaned out from

1 the surface through the storage horizon, and the following
2 casing strings shall be pulled and replaced with new casing,
3 using the procedure applicable to drilling a new well under
4 this chapter:

5 (i) the producing casing;

6 (ii) the largest diameter casing passing through the
7 lowest workable coal seam unless it extends at least 25
8 feet below the bottom of the coal seam and is determined
9 to be in good physical condition, but the storage
10 operator may, instead of replacing the largest diameter
11 casing, replace the next largest casing string if the
12 casing string extends at least 25 feet below the lowest
13 workable coal seam; and

14 (iii) casing strings determined not to be in good
15 physical condition

16 (2) In the case of a well to be used for gas storage,
17 the annular space between each string of casing and the
18 annular space behind the largest diameter casing, to the
19 extent possible, shall be filled to the surface with cement
20 or bentonitic mud or an equally nonporous material approved
21 by the department under section 3221.

22 (3) At least 15 days before a well is to be
23 reconditioned, the storage operator shall give notice to the
24 department and the coal operator, lessee or owner, setting
25 forth the manner in which reconditioning is planned and
26 pertinent data known to the storage operator which will
27 indicate the current condition of the well, along with at
28 least 72 hours' notice of the date and time when
29 reconditioning will begin. The coal operator, lessee or owner
30 shall have the right to file, within ten days after receipt

1 of the notice, objections to the plan of reconditioning as
2 submitted by the storage operator. If no objections are filed
3 and none are raised by the department within ten days, the
4 storage operator may proceed with reconditioning in
5 accordance with the plan as submitted. If an objection is
6 filed or made by the department, the department shall fix a
7 time and place for a conference under section 3251, at which
8 conference the storage operator and the person having
9 objections shall attempt to agree on a plan of reconditioning
10 that meets the requirements of this section. If no agreement
11 is reached, the department shall, by an appropriate order,
12 determine whether the plan as submitted meets the
13 requirements of this section or what changes should be made
14 to meet the requirements. If, in reconditioning the well in
15 accordance with the plan, physical conditions are encountered
16 which justify or necessitate a change in the plan, the
17 storage operator or coal operator may request that the plan
18 be changed. If the parties cannot agree on a change, the
19 department shall arrange for a conference to determine the
20 matter in the same manner as set forth in connection with
21 original objections to the plan.

22 (4) Application may be made to the department in the
23 manner prescribed in section 3221 for approval of an
24 alternative method of reconditioning a well. When a well
25 located within the storage reservoir or the reservoir
26 protective area has been reconditioned or drilled and
27 equipped prior to April 18, 1985, and, on the basis of the
28 data, information and other evidence submitted to the
29 department, the obligations imposed by subsection (a) as to
30 reconditioning the well shall be considered to be fully

1 satisfied if it is determined that reconditioning or previous
2 drilling and equipping:

3 (i) was done in the manner required in this
4 subsection, or in regulations promulgated hereunder, or
5 in a manner approved as an alternative method in
6 accordance with section 3221; or

7 (ii) is still sufficiently effective to meet the
8 requirements of this chapter.

9 (5) If a well requires emergency repairs, this
10 subsection shall not be construed to require the storage
11 operator to give the notices specified herein before making
12 the repairs.

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

17 (h) Certain other wells.--If a well within a storage
18 reservoir or reservoir protective area penetrates the storage
19 stratum but does not penetrate the coal seam being mined by an
20 operating coal mine, the department may, upon application of the
21 operator of the storage reservoir, exempt the well from the
22 requirements of this section. Either party affected may request
23 a conference under section 3251 with respect to exemption of a
24 well covered by this subsection.

25 (i) Plugging limitation.--In fulfilling the requirements of
26 subsection (a) (2) with respect to a well within the reservoir
27 protective area, the storage operator shall not be required to
28 plug or recondition the well until the storage operator has
29 received from the coal operator written notice that the mine
30 workings will, within the period stated in the notice, be within

1 2,000 linear feet of the well. Upon the receipt of the notice,
2 the storage operator shall use due diligence to complete the
3 plugging or reconditioning of the well in accordance with the
4 requirements of this section and section 3220. If the mine
5 workings do not, within a period of three years after the well
6 has been plugged, come within 2,000 linear feet of the well, the
7 coal operator shall reimburse the storage operator for the cost
8 of plugging, provided that the well is still within the
9 reservoir protective area as of that time.

10 (j) Retreat mining.--If retreat mining approaches a point
11 where, within 90 days, it is expected that the retreat work will
12 be at the location of the pillar surrounding an active storage
13 well, the coal operator shall give written notice to the storage
14 operator, and by agreement the parties shall determine whether
15 it is necessary or advisable to effectively and temporarily
16 inactivate the well. The well shall not be reactivated until a
17 reasonable period, determined by the parties, has elapsed. If
18 the parties cannot agree as required by this subsection, the
19 matter shall be submitted to the department for resolution. The
20 number of wells required to be temporarily inactivated during
21 the retreat period shall not be of a number that materially
22 affects efficient operation of the storage pool, except that
23 this provision shall not preclude temporary inactivation of a
24 particular well if the practical effect of inactivating it is to
25 render the pool temporarily inoperative.

26 (k) Exceptions.--The requirements of subsections (a), (l)
27 and (m) shall not apply to injection of gas into a stratum when
28 the whole purpose of injection, referred to in this subsection
29 as testing, is to determine whether the stratum is suitable for
30 storage purposes. Testing shall be conducted only in compliance

1 with the following requirements:

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

5 (2) If any part of the proposed storage reservoir is
6 under or within 2,000 linear feet of an operating coal mine
7 which is operating in a coal seam that extends over the
8 proposed storage reservoir or the reservoir protective area,
9 the storage operator shall give at least six months' written
10 notice to the department and coal operator of the fact that
11 injection of gas for testing purposes is proposed.

12 (3) The coal operator affected may at any time file
13 objections with the department, whereupon the department
14 shall fix a time and place for a conference under section
15 3251, not more than ten days from the date of the notice to
16 the storage operator. At the conference, the storage operator
17 and the objecting party shall attempt to agree, subject to
18 approval of the department, on the questions involved. If an
19 agreement cannot be reached, the department may issue an
20 appropriate order.

21 (4) If at any time a proposed storage reservoir being
22 tested comes under or within 2,000 linear feet of an
23 operating coal mine because of extension of the storage
24 reservoir being tested or because of extension or
25 establishment or reestablishment of the operating coal mine,
26 the requirements of this subsection shall immediately become
27 applicable to the testing.

28 (1) Storage reservoirs near operating coal mines.--A person
29 who proposes to establish a storage reservoir under or within
30 2,000 linear feet of a coal mine operating in a coal seam that

1 extends over the storage reservoir or the reservoir protective
2 area shall, prior to establishing the reservoir, and in addition
3 to complying with section 3231 and subsection (a), file the
4 verified statement required by subsection (b) and fully comply
5 with any order of the department in the manner provided under
6 subsection (b) or (c) before commencing operation of the storage
7 reservoir. After the person proposing to operate the storage
8 reservoir complies with the requirements of this subsection and
9 commences operations, the person shall continue to be subject to
10 all provisions of this chapter.

11 (m) Gas storage reservoirs.--If a gas storage reservoir is
12 in operation on April 18, 1985, and at any time thereafter it is
13 under or within 2,000 linear feet of an operating coal mine, or
14 if a gas storage reservoir is put in operation after April 18,
15 1985, and at any time after storage operations begin it is under
16 or within 2,000 linear feet of an operating coal mine, the
17 storage operator shall comply with all of the provisions of this
18 section, except that:

19 (1) the time for filing the verified statement under
20 subsection (b) shall be 60 days after the date stated in the
21 notice filed by the coal operator under section 3232(d) and
22 (e) (relating to reporting requirements for coal mining
23 operations);

24 (2) the coal operator shall give notice of the delay to
25 the department;

26 (3) the department shall, upon the request of the
27 storage operator, extend the time for filing the statement by
28 the additional time which will be required to extend or
29 establish or reestablish the operating coal mine to a point
30 within 2,000 linear feet of the reservoir;

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

4 (5) the person operating the storage reservoir shall
5 continue to be subject to all of the provisions of this
6 chapter.

7 (n) Failure to comply with order.--If, in any proceeding
8 under this chapter, the department determines that an operator
9 of a storage reservoir has failed to comply with a lawful order
10 issued under this chapter, the department may require the
11 storage operator to suspend operation of the reservoir and
12 withdraw the gas from it until the violation is remedied, in
13 which case the storage operator, limited by due diligence
14 insofar as existing facilities utilized to remove gas from the
15 reservoir will permit, shall:

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

18 (2) in any event, remove the maximum amount which can be
19 withdrawn in accordance with recognized engineering and
20 operating procedures.

21 (o) Prevention of escape of gas.--In addition to initial
22 compliance with other provisions of this chapter and lawful
23 orders issued under this chapter, it shall be the duty, at all
24 times, of a person owning or operating a storage reservoir
25 subject to this chapter to keep all wells drilled into or
26 through the storage stratum in a condition, and operate the
27 wells in a manner, which is designed to prevent the escape of
28 gas out of the storage reservoir and its facilities, and to
29 operate and maintain the storage reservoir and its facilities in
30 the manner prescribed by regulation of the department and at a

1 pressure that will prevent gas from escaping from the reservoir
2 or its facilities. This duty shall not be construed to include
3 inability to prevent the escape of gas when escape results from
4 an act of God or a person not under the control of the storage
5 operator, except that this exception does not apply to a well
6 which the storage operator has failed to locate and make known
7 to the department. If an escape of gas results from an act of
8 God or a person not under the control of the storage operator,
9 the storage operator shall be under the duty to take any action
10 reasonably necessary to prevent further escape of gas out of the
11 storage reservoir and its facilities.

12 § 3235. Inspection of facilities and records.

13 (a) General rule.--The person operating a storage reservoir
14 affected by this chapter shall, at all reasonable times, be
15 permitted to inspect applicable records and facilities of a coal
16 mine overlying the storage reservoir or reservoir protective
17 area. The person operating a coal mine affected by this chapter
18 shall, at all reasonable times, be permitted to inspect
19 applicable records and facilities of a storage reservoir
20 underlying the coal mine.

21 (b) Order.--If a storage operator or coal operator subject
22 to subsection (a) refuses to permit inspection of records or
23 facilities, the department may, on its own motion or on
24 application of the party seeking inspection, after reasonable
25 written notice and a hearing if requested by an affected party,
26 order inspection.

27 § 3236. Reliance on maps and burden of proof.

28 (a) General rule.--In determining whether a coal mine or
29 operating coal mine is or will be within a particular distance
30 from a storage reservoir which is material under this chapter,

1 the owner or operator of the coal mine and the storage operator
2 may rely on the most recent map of the storage reservoir or coal
3 mine filed by the other party with the department.

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

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

11 (2) have the burden of proving accuracy of the map or
12 data.

13 § 3237. Exemptions and prohibitions.

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

16 (1) Strip mines and auger mines operating from the
17 surface.

18 (2) Mines to which the former act of June 9, 1911
19 (P.L.756, No.319), entitled "An act to provide for the health
20 and safety of persons employed in and about the bituminous
21 coal-mines of Pennsylvania, and for the protection and
22 preservation of property connected therewith," did not apply
23 in accordance with section 3 of Article XXVIII of that act.

24 (3) Mines to which the former act of June 2, 1891
25 (P.L.176, No.177), entitled "An act to provide for the health
26 and safety of persons employed in and about the anthracite
27 coal mines of Pennsylvania and for the protection and
28 preservation of property connected therewith," did not apply
29 in accordance with section 1 of Article I of that act.

30 (b) Workable coal seams.--Injection of gas for storage

1 purposes in a workable coal seam, whether or not it is being or
2 has been mined, is prohibited.

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

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

8 SUBCHAPTER D

9 EMINENT DOMAIN

10 Sec.

11 3241. Appropriation of interest in real property.

12 § 3241. Appropriation of interest in real property.

13 (a) General rule.--Except as provided in this subsection, a
14 corporation empowered to transport, sell or store natural gas or
15 manufactured gas in this Commonwealth may appropriate an
16 interest in real property located in a storage reservoir or
17 reservoir protective area for injection, storage and removal
18 from storage of natural gas or manufactured gas in a stratum
19 which is or previously has been commercially productive of
20 natural gas. The right granted by this subsection shall not be
21 exercised to acquire any of the following for the purpose of gas
22 storage:

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

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

28 (ii) until the condemnor has acquired the right, by
29 grant, lease or other agreement, to store gas in the
30 geological stratum underlying at least 75% of the area of

1 the proposed storage reservoir.

2 (2) An interest in a geological stratum within the area
3 of a proposed storage reservoir or reservoir protective area
4 owned directly or indirectly by a gas company or other person
5 engaged in local distribution of natural gas, if the interest
6 to be acquired is presently being used by the gas company or
7 other person for storage of gas in performance of service to
8 customers in its service area.

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

10 (1) This chapter authorizes appropriation within a
11 storage reservoir or reservoir protective area of the
12 following:

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

14 (ii) any gas reserve remaining a stratum to be used
15 for storage;

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

18 (iv) the right to enter upon and use the surface of
19 lands to:

20 (A) locate, recondition, maintain, plug or
21 replug an active or abandoned well; or

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

24 (2) This chapter does not preclude the owner of
25 nonstorage strata from drilling wells to produce oil or gas
26 from a stratum above or below the storage stratum
27 appropriated by another person, but a person appropriating or
28 holding storage rights may access, inspect and examine the
29 drilling, the completed well, drilling logs and other records
30 relating to drilling, equipping or operating the well in

1 order to determine whether the storage stratum is being
2 adequately protected to prevent escape of gas stored therein.

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

6 (c) Activities through appropriated strata.--A person
7 drilling, operating, using or plugging a well through a stratum
8 appropriated under this chapter shall drill, case, equip,
9 operate or plug it in a manner designed to prevent avoidable
10 escape of gas that may be stored in the storage stratum. Upon
11 violation of this subsection, the court of common pleas of the
12 county where the land in question is situated may compel
13 compliance by injunction or grant other appropriate relief in an
14 action brought by the person storing gas in the storage stratum.

15 (d) Prerequisites to appropriation.--Before appropriating
16 under this chapter, a person shall attempt to agree with owners
17 of interests in the real property involved as to damages payable
18 for rights and interests to be appropriated, if the owners can
19 be found and are sui juris. If the parties fail to agree, the
20 person shall tender a surety bond to the owners to secure them
21 in the payment of damages. If the owners refuse to accept the
22 bond, cannot be found or are not sui juris, and after reasonable
23 notice to the owners by advertisement or otherwise, the bond
24 shall be presented for approval to the court of common pleas of
25 the county in which the tract of land is situated. Upon the
26 approval of the bond by the court, the right of the person to
27 appropriate in accordance with the provisions of this chapter
28 shall be complete.

29 (e) Appointment of viewers.--Upon petition of a property
30 owner or a person appropriating under this chapter, the court

1 shall:

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

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

6 (3) provide notice to the parties; and

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

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

12 (g) Requirements.--Nothing in this section shall relieve a
13 person operating a storage reservoir from the requirements of
14 this chapter.

15 SUBCHAPTER E

16 ENFORCEMENT AND REMEDIES

17 Sec.

18 3251. Conferences.

19 3252. Public nuisances.

20 3253. Enforcement orders.

21 3254. Restraining violations.

22 3255. Penalties.

23 3256. Civil penalties.

24 3257. Existing rights and remedies preserved and cumulative
25 remedies authorized.

26 3258. Production of materials, witnesses, depositions and
27 rights of entry.

28 3259. Unlawful conduct.

29 3260. Collection of fines and penalties.

30 3261. Third-party liability.

1 § 3251. Conferences.

2 (a) General rule.--The department or any person having a
3 direct interest in a matter subject to this chapter may, at any
4 time, request that a conference be held to discuss and attempt
5 to resolve by mutual agreement a matter arising under this
6 chapter. Unless otherwise provided, conferences shall be held
7 within 90 days after a request is received by the department,
8 and notice shall be given by the department to all interested
9 parties. A representative of the department shall attend the
10 conference and the department may make recommendations. An
11 agreement reached at a conference shall be consistent with this
12 chapter and, if approved by the department, it shall be reduced
13 to writing and shall be effective, unless reviewed and rejected
14 by the department within ten days after the conference. The
15 record of an agreement approved by the department shall be kept
16 on file by the department and copies shall be furnished to the
17 parties. The scheduling of a conference shall have no effect on
18 the department's authority to issue orders to compel compliance
19 with this chapter.

20 (b) Notification.--When a coal operator is to be notified of
21 a proceeding under this section, the department simultaneously
22 shall send a copy of the notice to the collective bargaining
23 representative of employees of the coal operator.

24 § 3252. Public nuisances.

25 A violation of section 3216 (relating to well site
26 restoration), 3217 (relating to protection of fresh groundwater
27 and casing requirements), 3218 (relating to protection of water
28 supplies), 3219 (relating to use of safety devices) or 3220
29 (relating to plugging requirements), or a rule, regulation,
30 order, term or condition of a permit relating to any of those

1 sections constitutes a public nuisance.

2 § 3253. Enforcement orders.

3 (a) General rule.--Except as modified by subsections (b),
4 (c) and (d), the department may issue orders necessary to aid in
5 enforcement of this chapter. An order issued under this chapter
6 shall take effect upon notice, unless the order specifies
7 otherwise. The power of the department to issue an order under
8 this chapter is in addition to any other remedy available to the
9 department under this chapter or under any other law.

10 (b) Suspension and revocation.--The department may suspend
11 or revoke a well permit or well registration for any well in
12 continuing violation of this chapter, the act of June 22, 1937
13 (P.L.1987, No.394), known as The Clean Streams Law, the act of
14 July 7, 1980 (P.L.380, No.97), known as the Solid Waste
15 Management Act, any other statute administered by the department
16 or a rule or regulation. The right of the department to revoke a
17 permit or registration under this subsection shall not be
18 effective until a final administrative determination has been
19 made of the violation and no appeal is pending in which a stay
20 has been granted. A suspension order of the department shall
21 automatically terminate if the violation upon which it is based
22 is corrected by the operator to bring the well into compliance
23 with this chapter.

24 (c) Written notice.--Prior to suspension or revocation of a
25 well permit or registration, the department shall serve written
26 notice on the well operator or its agent, stating specifically
27 the statutory provision, rule, regulation or other reason relied
28 upon, along with factual circumstances surrounding the alleged
29 violation. The well operator shall have 15 days to request a
30 conference with the department to show cause why action should

1 not be taken. Upon receipt of a request, the department shall
2 hold a conference and render a decision within 15 days after the
3 conference. The department shall provide written notice of the
4 decision to the well operator or its agent, which shall become
5 effective upon receipt. If the decision is to suspend or revoke
6 the permit or registration, the department may order the
7 operator to cap the well IF THE LIKELY RESULT OF THE VIOLATION ←
8 IS AN UNSAFE OPERATION OR ENVIRONMENTAL DAMAGE.

9 (d) Immediate orders.--An order of the department requiring
10 immediate cessation of drilling operations shall be effective
11 only if authorized by the secretary or by the Executive Deputy
12 Secretary for Environmental Protection.

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

17 (f) Inspection reports.--The department shall post
18 inspection reports on its publicly accessible Internet website.
19 The inspection reports shall include:

20 (1) The nature and description of violations.

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

23 (3) The status of the violation.

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

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 § 3255. Penalties.

27 (a) General violation.--A person violating a provision of
28 this chapter commits a summary offense and, upon conviction,
29 shall be sentenced to pay a fine of not more than \$1,000 or to
30 imprisonment of not more than 90 days, or both. Each day during

1 which the violation continues is a separate and distinct
2 offense.

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

10 (c) Authority.--The department may institute a prosecution
11 against any person or municipality for a violation of this
12 chapter.

13 § 3256. Civil penalties.

14 In addition to other remedies available at law or in equity
15 for a violation of this chapter, a rule or regulation of the
16 department or a departmental order or a permit condition, the
17 department, after a hearing, may assess a civil penalty
18 regardless of whether the violation was willful. The penalty
19 shall not exceed \$25,000 plus \$1,000 for each day during which
20 the violation continues, or in the case of a violation arising
21 from the construction, alteration or operation of an
22 unconventional well, \$75,000 plus \$5,000 for each day during
23 which the violation continues. In determining the amount, the
24 department shall consider willfulness of the violation, damage
25 or injury to natural resources of this Commonwealth or their
26 uses, endangerment of safety of others, the cost of remedying
27 the harm, savings resulting to the violator as a result of the
28 violation and any other relevant factor. The penalty shall be
29 payable to the Commonwealth and collectible in any manner
30 provided at law for collection of debts. If a violator neglects

1 or refuses to pay the penalty after demand, the amount, together
2 with interest and costs that may accrue, shall become a lien in
3 favor of the Commonwealth on the real and personal property of
4 the violator, but only after the lien has been entered and
5 docketed of record by the prothonotary of the county where the
6 property is situated. The department may at any time transmit to
7 the prothonotaries of the various counties certified copies of
8 all liens. It shall be the duty of each prothonotary to enter
9 and docket the liens of record in the prothonotary's office and
10 index them as judgments are indexed, without requiring payment
11 of costs as a condition precedent to entry.

12 § 3257. Existing rights and remedies preserved and cumulative
13 remedies authorized.

14 Nothing in this chapter estops the Commonwealth or a district
15 attorney from proceeding in a court of law or in equity to abate
16 pollution forbidden under this chapter or a nuisance under
17 existing law. It is hereby declared to be the purpose of this
18 chapter to provide additional and cumulative remedies to control
19 activities related to drilling for, or production of, oil and
20 gas in this Commonwealth, and nothing contained in this chapter
21 abridges or alters rights of action or remedies existing, or
22 which existed previously, in equity or under common or statutory
23 law, criminal or civil. Neither this chapter, the grant of a
24 permit under this chapter nor an act done by virtue of this
25 chapter estops the Commonwealth, in exercising rights under
26 common or decisional law or in equity, from suppressing a
27 nuisance, abating pollution or enforcing common law or statutory
28 rights. No court of this Commonwealth with jurisdiction to abate
29 public or private nuisances shall be deprived of jurisdiction in
30 an action to abate a private or public nuisance instituted by

1 any person on grounds that the nuisance constitutes air or water
2 pollution.

3 § 3258. Production of materials, witnesses, depositions and
4 rights of entry.

5 (a) General rule.--The department may make inspections,
6 conduct tests or sampling or examine books, papers and records
7 pertinent to a matter under investigation under this chapter to
8 determine compliance with this chapter. For this purpose, the
9 duly authorized agents and employees of the department may at
10 all reasonable times enter and examine any involved property,
11 facility, operation or activity.

12 (b) Access.--The owner, operator or other person in charge
13 of a property, facility, operation or activity under this
14 chapter, upon presentation of proper identification and purpose
15 for inspection by agents or employees of the department, shall
16 provide free and unrestricted entry and access. Upon refusal,
17 the agent or employee may obtain a search warrant or other
18 suitable order authorizing entry and inspection. It shall be
19 sufficient to justify issuance of a search warrant authorizing
20 examination and inspection if:

21 (1) there is probable cause to believe that the object
22 of the investigation is subject to regulation under this
23 chapter; and

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

26 (c) Witnesses.--In any part of this Commonwealth, the
27 department may subpoena witnesses, administer oaths, examine
28 witnesses, take testimony and compel production of books,
29 records, maps, plats, papers, documents and other writings
30 pertinent to proceedings or investigations conducted by the

1 department under this chapter. Upon refusal to obey a subpoena
2 by any person and on application of the department, a court may
3 enforce a subpoena in contempt proceedings. Fees for serving a
4 subpoena shall be the same as those paid to sheriffs for similar
5 services.

6 (d) Deposition.--The department or a party to a proceeding
7 before the department may cause the deposition of a witness who
8 resides in or outside of this Commonwealth to be taken in the
9 manner prescribed by law for taking depositions in civil
10 actions.

11 (e) Witness fee.--Witnesses summoned before the department
12 shall be paid the same fees as are paid to witnesses in courts
13 of record of general jurisdiction. Witnesses whose depositions
14 are taken under this chapter, and the officers taking those
15 depositions, shall be entitled to the same fees as those paid
16 for like services in court.

17 (f) Purchasers.--Upon request, a purchaser of oil or gas
18 shall provide the department information necessary to determine
19 ownership of facilities from which the purchaser obtained oil or
20 gas. The information shall be kept confidential for a period of
21 five years and the department may utilize it in enforcement
22 proceedings. The department may request information under this
23 section only when a well does not comply with section 3211(h)
24 (relating to well permits).

25 § 3259. Unlawful conduct.

26 It shall be unlawful for any person to:

27 (1) Drill, alter, operate or utilize an oil or gas well
28 without a permit or registration from the department as
29 required by this chapter or in violation of rules or
30 regulations adopted under this chapter, orders of the

1 department or a term or condition of a permit issued by the
2 department.

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

5 (i) contrary to this chapter, rules or regulations
6 adopted under this chapter, an order of the department or
7 a term or condition of a permit issued by the department;
8 or

9 (ii) in any manner as to create a public nuisance or
10 adversely affect public health, safety, welfare or the
11 environment.

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

16 (4) Attempt to obtain a permit or identify a well as an
17 orphan well by misrepresentation or failure to disclose all
18 relevant facts.

19 (5) Cause abandonment of a well by removal of casing or
20 equipment necessary for production without plugging the well
21 in the manner prescribed under section 3220 (relating to
22 plugging requirements), except that the owner or operator of
23 a well may temporarily remove casing or equipment necessary
24 for production, but only if it is part of the normal course
25 of production activities.

26 § 3260. Collection of fines and penalties.

27 Fines and penalties shall be collectible in a manner provided
28 by law for collection of debts. If a person liable to pay a
29 penalty neglects or refuses to pay after demand, the amount,
30 together with interest and costs that may accrue, shall be a

1 judgment in favor of the Commonwealth on the person's property,
2 but only after the judgment has been entered and docketed of
3 record by the prothonotary of the county where the property is
4 situated. The department may transmit to prothonotaries of the
5 various counties certified copies of all judgments, and it shall
6 be the duty of each prothonotary to enter and docket them of
7 record in the prothonotary's office and index them as judgments
8 are indexed, without requiring payment of costs as a condition
9 precedent to entry.

10 § 3261. Third-party liability.

11 If a person other than a well operator renders a service or
12 product to a well or well site, that person is jointly and
13 severally liable with the well owner or operator for violations
14 of this chapter arising out of and caused by the person's
15 actions at the well or well site.

16 SUBCHAPTER F

17 (RESERVED)

18 SUBCHAPTER G

19 MISCELLANEOUS PROVISIONS

20 Sec.

21 3291. Well plugging funds.

22 3292. Local ordinances.

23 3293. Effect on department authority.

24 3294. Relationship to solid waste and surface mining.

25 3295. Regulatory authority.

26 § 3291. 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 § 3292. 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, the act of October 4, 1978
5 (P.L.851, No.166), known as the Flood Plain Management Act, and
6 the act of March 31, 1927 (P.L.98, No.69), referred to as the
7 Second Class City Zoning Law, local ordinances and enactments
8 purporting to regulate oil and gas well operations regulated by
9 this chapter are preempted and superseded by this chapter to the
10 extent the ordinances and enactments regulate the method of oil
11 and gas well operations. No ordinances or enactments adopted
12 under those acts shall impose conditions, requirements or
13 limitations on the method of oil and gas well operations ←
14 regulated by this chapter or attempt to accomplish the purposes
15 of this chapter. Nothing in this chapter shall affect the
16 traditional power of local government to regulate zoning and
17 land development of oil and gas activities as well as other
18 aspects, such as the time and the place of operations to protect
19 the health, safety and welfare of the general public through
20 local ordinances and enactments THAT ARE INCONSISTENT WITH THIS ←
21 PART.

22 § 3293. Effect on department authority.

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

1 § 3294. Relationship to solid waste and surface mining.

2 (a) General rule.--The obligation to obtain a permit and
3 post a bond under Articles III and V of the act of July 7, 1980
4 (P.L.380, No.97), known as the Solid Waste Management Act, and
5 to provide public notice under section 1905-A(b)(1)(v) of the
6 act of April 9, 1929 (P.L.177, No.175), known as The
7 Administrative Code of 1929, for any pit, impoundment, method or
8 facility employed for the disposal, processing or storage of
9 residual wastes generated by the drilling of an oil or gas well
10 or from the production of wells which is located on the well
11 site, shall be considered to have been satisfied if the owner or
12 operator of the well meets the following conditions:

13 (1) the well is permitted under the requirements of
14 section 3211 (relating to well permits) or registered under
15 section 3213 (relating to well registration and
16 identification);

17 (2) the owner or operator has satisfied the financial
18 security requirements of section 3215 ~~(relating to well~~ ←
19 ~~location restrictions)~~ 3225 (RELATING TO BONDING) by ←
20 obtaining a surety or collateral bond for the well and well
21 site; and

22 (3) the owner or operator maintains compliance with this
23 chapter and applicable regulations of the Environmental
24 Quality Board.

25 (b) Noncoal surface mining.--Obligations under the act of
26 December 19, 1984 (P.L.1093, No.219), known as the Noncoal
27 Surface Mining Conservation and Reclamation Act, or a rule or
28 regulation promulgated thereunder, for any borrow area where
29 minerals are extracted solely for the purpose of oil and gas
30 well development, including access road construction, shall be

1 considered to have been satisfied if the owner or operator of
2 the well meets the conditions imposed under subsection (a) (1)
3 and (2) and maintains compliance with this chapter and
4 applicable regulations of the Environmental Quality Board.

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

12 (d) Definition.--As used in this section and sections 3216
13 (relating to well site restoration) and 3225 (relating to
14 bonding), the term "well site" means areas occupied by all
15 equipment or facilities necessary for or incidental to drilling,
16 production or plugging a well.
17 § 3295. Regulatory authority.

18 The Environmental Quality Board shall adopt regulations to
19 implement this chapter.

20 CHAPTER 33

21 MODEL ORDINANCE

22 Sec.

23 3301. Model municipal ordinance.

24 3302. Local ordinance.

25 § 3301. Model municipal ordinance.

26 (a) Purposes. The purposes of this section are as follows:

27 (1) To optimize the development and use of this
28 Commonwealth's oil and gas reserves by increasing reasonable
29 consistency in zoning and other municipal regulation.

30 (2) To foster expeditious and efficient handling of



1 ~~municipal oil and gas permitting procedures.~~

2 ~~(3) To allow municipalities to enact regulations under~~
3 ~~the act of July 31, 1968 (P.L.805, No.247), known as the~~
4 ~~Pennsylvania Municipalities Planning Code, and the act of~~
5 ~~October 4, 1978 (P.L.851, No.166), known as the Flood Plain~~
6 ~~Management Act, insofar as the regulation is authorized by~~
7 ~~section 3302 (relating to local ordinance) and this section.~~

8 ~~(b) Authority. The commission shall develop and adopt a~~
9 ~~model ordinance to fulfill the purposes of this section.~~

10 ~~(c) Adoption of provisions.~~

11 ~~(1) Within 120 days of the effective date of this~~
12 ~~section, the commission shall, by majority vote, adopt a~~
13 ~~model ordinance for counties and municipalities pertaining to~~
14 ~~oil and gas drilling activities in accordance with the~~
15 ~~Pennsylvania Municipalities Planning Code, as applicable, the~~
16 ~~Flood Plain Management Act and this section.~~

17 ~~(2) The model zoning ordinance shall do all of the~~
18 ~~following:~~

19 ~~(i) Authorize oil and gas development as a permitted~~
20 ~~use by right in all zoning districts except residential~~
21 ~~districts. The commission may develop a model zoning~~
22 ~~ordinance that allows oil and gas development in~~
23 ~~residential zoning districts by conditional use or~~
24 ~~special exception with conditions dependent on the~~
25 ~~density of existing uses within the district and the~~
26 ~~isolation distances achievable in each residential~~
27 ~~district.~~

28 ~~(ii) Authorize natural gas compression stations:~~

29 ~~(A) as a permitted use by right in all~~
30 ~~agricultural, industrial and commercial districts;~~

1 ~~and~~

2 ~~(B) as a conditional use in all other zoning~~
3 ~~districts.~~

4 ~~(iii) Authorize natural gas processing plants:~~

5 ~~(A) as a permitted use by right in all~~
6 ~~industrial districts; and~~

7 ~~(B) as a conditional use or special exception in~~
8 ~~agricultural districts.~~

9 ~~(3) The model zoning ordinance shall not do any of the~~
10 ~~following:~~

11 ~~(i) Impose limitations on the hours of operation on~~
12 ~~drilling operations.~~

13 ~~(ii) Impose limitations on noise, light, height or~~
14 ~~security or fencing on drilling operations, natural gas~~
15 ~~compressor stations or natural gas processing plants if~~
16 ~~the limitations are more stringent than limitations~~
17 ~~imposed on construction activities for other similar land~~
18 ~~uses. The model zoning ordinance may include limitations~~
19 ~~on noise, light, height and security and fencing for~~
20 ~~equipment or processes which are unique to the gas~~
21 ~~industry and which are rational, nondiscriminatory and~~
22 ~~reasonably defensible in the particular zone where they~~
23 ~~apply.~~

24 ~~(iii) Have a permit review period for uses by right~~
25 ~~that exceeds 30 days for complete and responsive~~
26 ~~submissions.~~

27 ~~(iv) Impose restrictions on vehicular access routes~~
28 ~~for overweight vehicles except as authorized under:~~

29 ~~(A) 75 Pa.C.S. (relating to vehicles); or~~

30 ~~(B) the Pennsylvania Municipalities Planning~~

1 ~~Code.~~

2 ~~(v) Regulate storm water, erosion and sedimentation~~
3 ~~control or grading where the use is subject to regulation~~
4 ~~by the department through an Erosion and Sedimentation~~
5 ~~Control General Permit or similar permit.~~

6 ~~(4) Nothing in this subsection shall limit or preempt a~~
7 ~~county or municipality from action pursuant to the act of~~
8 ~~October 4, 1978 (P.L.864, No.167), known as the Storm Water~~
9 ~~Management Act.~~

10 ~~(d) Effect of model ordinance. An ordinance adopted by a~~
11 ~~county or municipality to regulate oil and gas shall not contain~~
12 ~~more stringent standards than the model ordinance adopted by the~~
13 ~~commission.~~

14 ~~(e) Timing. The commission shall publish the adopted model~~
15 ~~ordinance in the Pennsylvania Bulletin immediately after its~~
16 ~~adoption and shall disseminate information about the model~~
17 ~~ordinance through the Department of Community and Economic~~
18 ~~Development, municipal associations and other means as the~~
19 ~~commission shall deem appropriate. The costs of the notification~~
20 ~~shall be borne by the Department of Community and Economic~~
21 ~~Development.~~

22 ~~(f) Miscellaneous. The commission shall review the model~~
23 ~~ordinance annually. Proposed amendments shall be published in~~
24 ~~the Pennsylvania Bulletin within 30 days after their adoption.~~

25 ~~(g) Ordinance. (Reserved).~~

26 ~~(h) Effective date of model ordinance. The model ordinance~~
27 ~~shall take effect 70 days following the commission's publication~~
28 ~~of the ordinance in the Pennsylvania Bulletin under this~~
29 ~~section.~~

30 ~~§ 3302. Local ordinance.~~

1 ~~Nothing in this chapter shall impair or infringe upon the~~
2 ~~preemption or supersedure of the regulation of gas wells under~~
3 ~~section 602 of the act of December 19, 1984 (P.L.1140, No.223),~~
4 ~~known as the Oil and Gas Act.~~

5 CHAPTER 33

6 LOCAL ORDINANCES RELATING TO

7 OIL AND GAS OPERATIONS

8 SEC.

9 3301. SCOPE OF CHAPTER.

10 3302. DEFINITIONS.

11 3303. LOCAL ORDINANCES.

12 3304. REVIEW BY ATTORNEY GENERAL.

13 3305. CIVIL ACTIONS.

14 3306. COMMONWEALTH COURT MASTERS.

15 3307. ATTORNEY FEES AND COSTS.

16 3308. SANCTION.

17 3309. PROVISIONS OF LOCAL ORDINANCES.

18 3310. APPLICABILITY.

19 § 3301. SCOPE OF CHAPTER.

20 THE PURPOSES OF THIS CHAPTER ARE TO:

21 (1) ALLOW MUNICIPALITIES TO EFFICIENTLY REGULATE OIL AND
22 GAS OPERATIONS CONSISTENT WITH THEIR AUTHORITY UNDER THE ACT
23 OF JULY 31, 1968 (P.L.805, NO.247), KNOWN AS THE PENNSYLVANIA
24 MUNICIPALITIES PLANNING CODE.

25 (2) FOSTER THE EXPEDITIOUS AND EFFICIENT HANDLING OF
26 MUNICIPAL OIL AND GAS PROCEDURES.

27 (3) CLARIFY THE ROLE OF ALL FEDERAL AND STATE AGENCIES
28 AND MUNICIPAL GOVERNMENTS WITH REGARD TO OIL AND GAS
29 DEVELOPMENT ACTIVITIES.

30 § 3302. DEFINITIONS.

1 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
2 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
3 CONTEXT CLEARLY INDICATES OTHERWISE:

4 "BUILDING." AN OCCUPIED STRUCTURE WITH WALLS AND ROOF WITHIN
5 WHICH INDIVIDUALS LIVE OR CUSTOMARILY WORK.

6 "ENVIRONMENT ACTS." ALL STATUTES ENACTED BY THE COMMONWEALTH
7 RELATING TO THE PROTECTION OF THE ENVIRONMENT OR THE PROTECTION
8 OF PUBLIC HEALTH, SAFETY AND WELFARE, THAT ARE ADMINISTERED AND
9 ENFORCED BY THE DEPARTMENT OR BY ANOTHER COMMONWEALTH AGENCY,
10 INCLUDING AN INDEPENDENT AGENCY, AND ALL FEDERAL STATUTES
11 RELATING TO THE PROTECTION OF THE ENVIRONMENT, TO THE EXTENT
12 THOSE STATUTES REGULATE OIL AND GAS OPERATIONS.

13 "LOCAL GOVERNMENT." A COUNTY, CITY, BOROUGH, INCORPORATED
14 TOWN OR TOWNSHIP OF THIS COMMONWEALTH.

15 "LOCAL ORDINANCE." AN ORDINANCE ADOPTED BY A LOCAL
16 GOVERNMENT THAT REGULATES OIL AND GAS OPERATIONS.

17 "MPC." THE ACT OF JULY 31, 1968 (P.L.805, NO.247), KNOWN AS
18 THE PENNSYLVANIA MUNICIPALITIES PLANNING CODE.

19 "OIL AND GAS OPERATIONS." THE TERM INCLUDES THE FOLLOWING:

20 (1) WELL LOCATION ASSESSMENT, INCLUDING SEISMIC
21 OPERATIONS, WELL SITE PREPARATION, CONSTRUCTION, DRILLING,
22 HYDRAULIC FRACTURING AND SITE RESTORATION ASSOCIATED WITH AN
23 OIL OR GAS WELL OF ANY DEPTH;

24 (2) WATER AND OTHER FLUID STORAGE OR IMPOUNDMENT AREAS
25 USED EXCLUSIVELY FOR OIL AND GAS OPERATIONS;

26 (3) CONSTRUCTION, INSTALLATION, USE, MAINTENANCE AND
27 REPAIR OF:

28 (I) OIL AND GAS PIPELINES;

29 (II) NATURAL GAS COMPRESSOR STATIONS; AND

30 (III) NATURAL GAS PROCESSING PLANTS OR FACILITIES

1 PERFORMING EQUIVALENT FUNCTIONS; AND

2 (4) CONSTRUCTION, INSTALLATION, USE, MAINTENANCE AND
3 REPAIR OF ALL EQUIPMENT DIRECTLY ASSOCIATED WITH ACTIVITIES
4 SPECIFIED IN PARAGRAPHS (1), (2) AND (3), TO THE EXTENT THAT:

5 (I) THE EQUIPMENT IS NECESSARILY LOCATED AT OR
6 IMMEDIATELY ADJACENT TO A WELL SITE, IMPOUNDMENT AREA,
7 OIL AND GAS PIPELINE, NATURAL GAS COMPRESSOR STATION OR
8 NATURAL GAS PROCESSING PLANT; AND

9 (II) THE ACTIVITIES ARE AUTHORIZED AND PERMITTED
10 UNDER THE AUTHORITY OF A FEDERAL OR COMMONWEALTH AGENCY.

11 "PERMITTED USE." A USE WHICH, UPON SUBMISSION OF NOTICE TO
12 AND RECEIPT OF A PERMIT ISSUED BY A ZONING OFFICER OR EQUIVALENT
13 OFFICIAL, IS AUTHORIZED TO BE CONDUCTED WITHOUT RESTRICTIONS
14 OTHER THAN THOSE SET FORTH IN SECTION 3309 (RELATING TO
15 PROVISIONS OF LOCAL ORDINANCES).

16 § 3303. LOCAL ORDINANCES.

17 (A) GENERAL RULE.--A LOCAL ORDINANCE MAY ONLY BE ENACTED
18 PURSUANT TO THE MPC, THE ACT OF MARCH 31, 1927 (P.L.98, NO.69),
19 REFERRED TO AS THE SECOND CLASS CITY ZONING LAW, OR THE ACT OF
20 OCTOBER 4, 1978 (P.L.851, NO.166), KNOWN AS THE FLOOD PLAIN
21 MANAGEMENT ACT, AS APPLICABLE, AND SHALL PROVIDE FOR THE
22 REASONABLE DEVELOPMENT OF MINERALS WITHIN THE LOCAL GOVERNMENT
23 IN ACCORDANCE WITH THE PROVISIONS OF SECTION 603(I) OF THE MPC
24 AND THIS CHAPTER.

25 (B) LIMITATION.--EXCEPT AS PROVIDED IN THIS CHAPTER, A LOCAL
26 ORDINANCE SHALL NOT CONFLICT WITH AND SHALL NOT REGULATE OIL AND
27 GAS OPERATIONS COVERED BY THE ENVIRONMENT ACTS, EXCEPT TO THE
28 EXTENT THAT THE ENVIRONMENT ACTS PROVIDE THE AUTHORITY.

29 (C) CONSTRUCTION.--NOTHING IN THIS CHAPTER SHALL BE
30 CONSTRUED TO IMPAIR OR INFRINGE ON THE PREEMPTION PROVISIONS OF

1 SECTION 3292 (RELATING TO LOCAL ORDINANCES).

2 § 3304. REVIEW BY ATTORNEY GENERAL.

3 (A) REQUEST OF OWNER OR OPERATOR.--AN OWNER OR OPERATOR OF
4 AN OIL AND GAS OPERATION, OR ANY PERSON HAVING THE RIGHT TO
5 ROYALTY PAYMENTS UNDER A LEASE OF OIL OR GAS MINERAL RIGHTS, MAY
6 REQUEST THE ATTORNEY GENERAL TO REVIEW A LOCAL ORDINANCE TO
7 DETERMINE WHETHER IT ALLOWS FOR THE REASONABLE DEVELOPMENT OF
8 OIL AND GAS RESOURCES IN ACCORDANCE WITH THE PROVISIONS
9 SPECIFICALLY ADDRESSED IN THIS CHAPTER, CHAPTER 32 (RELATING TO
10 REGULATION), THE MPC AND JUDICIAL DECISIONS OF THE COMMONWEALTH.

11 (B) PREENACTMENT REVIEW.--A LOCAL GOVERNMENT MAY, PRIOR TO
12 THE ENACTMENT OF A LOCAL ORDINANCE, REQUEST THE ATTORNEY GENERAL
13 TO REVIEW THE ORDINANCE TO DETERMINE WHETHER IT ALLOWS FOR THE
14 REASONABLE DEVELOPMENT OF OIL AND GAS RESOURCES IN ACCORDANCE
15 WITH THE PROVISIONS OF THIS CHAPTER, CHAPTER 32, THE MPC AND
16 JUDICIAL DECISIONS OF THE COMMONWEALTH.

17 (C) TIME PERIOD FOR REVIEW.--WITHIN 120 DAYS OF RECEIVING A
18 REQUEST UNDER SUBSECTION (A) OR (B), THE ATTORNEY GENERAL SHALL
19 ADVISE IN WRITING THE PERSON THAT MADE THE REQUEST WHETHER OR
20 NOT THE ATTORNEY GENERAL DETERMINES THAT THE LOCAL ORDINANCE
21 PROVIDES FOR THE REASONABLE DEVELOPMENT OF OIL AND GAS RESERVES
22 AND PROVIDE A COPY OF THE WRITTEN DETERMINATION TO THE AFFECTED
23 LOCAL GOVERNMENT.

24 § 3305. CIVIL ACTIONS.

25 (A) ATTORNEY GENERAL.--THE ATTORNEY GENERAL MAY BRING AN
26 ACTION AGAINST A LOCAL GOVERNMENT IN COMMONWEALTH COURT TO
27 INVALIDATE OR ENJOIN THE ENFORCEMENT OF A LOCAL ORDINANCE THAT
28 DOES NOT ALLOW FOR THE REASONABLE DEVELOPMENT OF OIL AND GAS
29 RESOURCES.

30 (B) PRIVATE RIGHT OF ACTION.--

1 (1) NOTWITHSTANDING ANY PROVISION OF 42 PA.C.S. CH. 85
2 SUBCH. C (RELATING TO ACTIONS AGAINST LOCAL PARTIES), ANY
3 PERSON WHO IS AGGRIEVED BY THE ENACTMENT OR ENFORCEMENT OF A
4 LOCAL ORDINANCE THAT DOES NOT ALLOW FOR THE REASONABLE
5 DEVELOPMENT OF OIL AND GAS RESOURCES IN ACCORDANCE WITH THE
6 PROVISIONS OF SECTION 3292 (RELATING TO LOCAL ORDINANCES) MAY
7 BRING AN ACTION IN COMMONWEALTH COURT TO INVALIDATE THE
8 ORDINANCE OR ENJOIN ITS ENFORCEMENT.

9 (2) AN AGGRIEVED PERSON MAY PROCEED WITHOUT FIRST
10 OBTAINING REVIEW OF THE ORDINANCE BY THE ATTORNEY GENERAL OR
11 MAY PROCEED AFTER RECEIVING SUCH REVIEW IF THE ATTORNEY
12 GENERAL DETERMINES THAT THE ORDINANCE FAILS TO COMPLY WITH
13 THIS CHAPTER BUT DECLINES TO BRING AN ACTION UNDER SUBSECTION
14 (A).

15 (3) IN AN ACTION BROUGHT RELATING TO THE ENACTMENT OR
16 ENFORCEMENT OF A LOCAL ORDINANCE, THE DETERMINATION OF THE
17 ATTORNEY GENERAL MADE UNDER SECTION 3304 (RELATING TO REVIEW
18 BY ATTORNEY GENERAL) SHALL BECOME PART OF THE RECORD BEFORE
19 THE COURT.

20 § 3306. COMMONWEALTH COURT MASTERS.

21 (A) GENERAL RULE.--THE COMMONWEALTH COURT MAY PROMULGATE
22 RULES FOR THE SELECTION AND APPOINTMENT OF MASTERS ON A FULL-
23 TIME OR PART-TIME BASIS TO OVERSEE ACTIONS BROUGHT UNDER SECTION
24 3305 (RELATING TO CIVIL ACTIONS). A MASTER MUST BE A MEMBER OF
25 THE BAR OF THIS COMMONWEALTH. THE NUMBER AND COMPENSATION OF
26 MASTERS SHALL BE FIXED BY THE COMMONWEALTH COURT, AND THEIR
27 COMPENSATION SHALL BE PAID BY THE COMMONWEALTH.

28 (B) PROCEDURE.--

29 (1) THE COMMONWEALTH COURT MAY DIRECT THAT A HEARING IN
30 AN ACTION BROUGHT UNDER SECTION 3305 BE CONDUCTED IN THE

1 FIRST INSTANCE BY THE MASTER IN THE MANNER PROVIDED FOR IN
2 THIS SECTION.

3 (2) UPON THE CONCLUSION OF A HEARING BEFORE A MASTER,
4 THE MASTER SHALL TRANSMIT WRITTEN FINDINGS AND
5 RECOMMENDATIONS FOR DISPOSITION TO THE PRESIDENT JUDGE.
6 PROMPT WRITTEN NOTICE AND COPIES OF THE FINDINGS AND
7 RECOMMENDATIONS SHALL BE GIVEN TO THE PARTIES TO THE
8 PROCEEDING.

9 (3) THE FINDINGS AND RECOMMENDATIONS OF THE MASTER SHALL
10 BECOME THE FINDINGS AND ORDER OF THE COMMONWEALTH COURT UPON
11 WRITTEN CONFIRMATION BY THE PRESIDENT JUDGE. A REHEARING MAY
12 BE ORDERED BY THE PRESIDENT JUDGE AT ANY TIME UPON CAUSE
13 SHOWN.

14 § 3307. ATTORNEY FEES AND COSTS.

15 IN AN ACTION BROUGHT UNDER SECTION 3305 (RELATING TO CIVIL
16 ACTIONS), THE COURT MAY DO ANY OF THE FOLLOWING:

17 (1) IF THE COURT DETERMINES THAT THE LOCAL GOVERNMENT
18 ENACTED OR ENFORCED A LOCAL ORDINANCE WITH WILLFUL OR
19 RECKLESS DISREGARD FOR THE LIMITATION OF AUTHORITY
20 ESTABLISHED UNDER STATE LAW, IT MAY ORDER THE LOCAL
21 GOVERNMENT TO PAY THE PLAINTIFF REASONABLE ATTORNEY FEES AND
22 OTHER REASONABLE COSTS INCURRED BY THE PLAINTIFF IN
23 CONNECTION WITH THE ACTION.

24 (2) IF THE COURT DETERMINES THAT THE ACTION BROUGHT BY
25 THE PLAINTIFF WAS FRIVOLOUS OR WAS BROUGHT WITHOUT
26 SUBSTANTIAL JUSTIFICATION IN CLAIMING THAT THE LOCAL
27 ORDINANCE IN QUESTION WAS CONTRARY TO THE REQUIREMENTS OF
28 THIS CHAPTER OR CHAPTER 32 (RELATING TO REGULATIONS), THE OIL
29 AND GAS ACT, IT MAY ORDER THE PLAINTIFF TO PAY THE LOCAL
30 GOVERNMENT REASONABLE ATTORNEY FEES AND OTHER REASONABLE

1 COSTS INCURRED BY THE LOCAL GOVERNMENT IN DEFENDING THE
2 ACTION.

3 § 3308. SANCTION.

4 IF THE ATTORNEY GENERAL, THE COMMONWEALTH COURT OR THE
5 SUPREME COURT DETERMINES THAT A LOCAL ORDINANCE FAILS TO PROVIDE
6 FOR THE REASONABLE DEVELOPMENT OF OIL AND GAS RESOURCES, THE
7 LOCAL GOVERNMENT ENACTING OR ENFORCING THE LOCAL ORDINANCE SHALL
8 BE IMMEDIATELY INELIGIBLE TO RECEIVE ANY FUNDS COLLECTED UNDER
9 CHAPTER 23 (RELATING TO DRILLING IMPACT FEE). THE LOCAL
10 GOVERNMENT SHALL REMAIN INELIGIBLE TO RECEIVE FUNDS UNDER
11 CHAPTER 23 UNTIL THE LOCAL GOVERNMENT AMENDS OR REPEALS ITS
12 LOCAL ORDINANCE IN ACCORDANCE WITH THIS CHAPTER.

13 § 3309. PROVISIONS OF LOCAL ORDINANCES.

14 IN ORDER TO ALLOW FOR THE REASONABLE DEVELOPMENT OF OIL AND
15 GAS RESOURCES, A LOCAL ORDINANCE MUST, IN ADDITION TO COMPLYING
16 WITH THIS CHAPTER, CHAPTER 32 (RELATING TO REGULATIONS) THE OIL
17 AND GAS ACT, THE MPC AND JUDICIAL DECISIONS OF THE COMMONWEALTH:

18 (1) ALLOW WELL AND PIPELINE LOCATION ASSESSMENT
19 OPERATIONS, INCLUDING SEISMIC OPERATIONS AND RELATED
20 ACTIVITIES CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE
21 FEDERAL AND STATE LAWS AND REGULATIONS RELATING TO THE
22 STORAGE AND USE OF EXPLOSIVES THROUGHOUT EVERY LOCAL
23 GOVERNMENT.

24 (2) IMPOSE CONDITIONS, REQUIREMENTS OR LIMITATIONS ON
25 OIL AND GAS OPERATIONS THAT ARE NO MORE STRINGENT THAN
26 SIMILAR CONDITIONS, REQUIREMENTS OR LIMITATIONS IMPOSED ON
27 CONSTRUCTION ACTIVITIES FOR OTHER LAND DEVELOPMENT WITHIN THE
28 ZONING DISTRICT WHERE THE OIL AND GAS OPERATIONS ARE
29 SITUATED.

30 (3) IMPOSE CONDITIONS, REQUIREMENTS OR LIMITATIONS ON

1 THE HEIGHT OF PERMANENT STRUCTURES, SETBACKS FROM PROPERTY
2 LINES, SCREENING AND FENCING, LIGHTING AND NOISE RELATING TO
3 OIL AND GAS OPERATIONS THAT ARE NO MORE STRINGENT THAN
4 SIMILAR CONDITIONS, REQUIREMENTS OR LIMITATIONS IMPOSED ON
5 INDUSTRIAL USES OR WHAT IS ALLOWED WITHIN THE PARTICULAR
6 ZONING DISTRICT WITHIN THE LOCAL GOVERNMENT WHERE THE OIL AND
7 GAS OPERATIONS ARE SITUATED OR STIPULATED IN OR SET FORTH IN
8 STATE STATUTE OR REGULATIONS PERTAINING TO OIL AND GAS
9 OPERATIONS.

10 (4) HAVE A REVIEW PERIOD FOR PERMITTED USES THAT DOES
11 NOT EXCEED 30 DAYS FOR COMPLETE SUBMISSIONS OR THAT EXCEEDS
12 120 DAYS FOR CONDITIONAL USES.

13 (5) AUTHORIZE OIL AND GAS OPERATIONS, OTHER THAN
14 ACTIVITIES IN OR AT IMPOUNDMENT AREAS, COMPRESSOR STATIONS
15 AND PROCESSING PLANTS, AS A PERMITTED USE IN ALL ZONING
16 DISTRICTS.

17 (5.1) NOTWITHSTANDING SECTION 3215 (RELATING TO WELL
18 LOCATION RESTRICTIONS) THE OIL AND GAS OPERATIONS UNDER
19 PARAGRAPH (5) MAY BE PROHIBITED, OR PERMITTED ONLY AS A
20 CONDITIONAL USE WITHIN A RESIDENTIAL DISTRICT WHERE A WELL
21 SITE CANNOT BE PLACED SO THAT THE WELLHEAD IS AT LEAST 500
22 FEET FROM ANY EXISTING BUILDING. IN A RESIDENTIAL DISTRICT,
23 ALL OF THE FOLLOWING APPLY:

24 (I) A WELL SITE MAY NOT BE LOCATED SO THAT THE OUTER
25 EDGE OF THE WELL PAD IS CLOSER THAN 300 FEET FROM AN
26 EXISTING BUILDING.

27 (II) EXCEPT AS SET FORTH IN PARAGRAPH (5) AND IN
28 THIS PARAGRAPH, OIL AND GAS OPERATIONS, OTHER THAN THE
29 PLACEMENT, USE AND REPAIR OF OIL AND GAS PIPELINES, WATER
30 PIPELINES, ACCESS ROADS OR SECURITY STRUCTURES AND

1 FENCING, MAY NOT TAKE PLACE WITHIN 300 FEET OF AN
2 EXISTING BUILDING.

3 (6) AUTHORIZE IMPOUNDMENT AREAS USED FOR OIL AND GAS
4 OPERATIONS AS A PERMITTED USE IN ALL ZONING DISTRICTS,
5 PROVIDED THAT THE EDGE OF ANY IMPOUNDMENT AREA SHALL NOT BE
6 LOCATED CLOSER THAN 300 FEET FROM AN EXISTING BUILDING.

7 (7) AUTHORIZE NATURAL GAS COMPRESSOR STATIONS AS A
8 PERMITTED USE IN AGRICULTURE AND INDUSTRIAL ZONING DISTRICTS
9 AND AS A CONDITIONAL USE IN ALL OTHER ZONING DISTRICTS, IF
10 THE NATURAL GAS COMPRESSOR BUILDING MEETS THE FOLLOWING
11 CONDITIONS:

12 (I) IS LOCATED 750 FEET OR MORE FROM THE NEAREST
13 EXISTING BUILDING OR 200 FEET FROM THE NEAREST LOT LINE,
14 WHICHEVER IS GREATER, UNLESS WAIVED BY THE OWNER OF THE
15 BUILDING OR ADJOINING LOT; AND

16 (II) DOES NOT EXCEED A NOISE STANDARD OF 60DBA AT
17 THE NEAREST PROPERTY LINE OR THE APPLICABLE STANDARD
18 IMPOSED BY FEDERAL LAW, WHICHEVER IS LESSER.

19 (8) AUTHORIZE NATURAL GAS PROCESSING PLANTS AS A
20 PERMITTED USE IN AN INDUSTRIAL ZONING DISTRICT AND AS
21 CONDITIONAL USES IN AGRICULTURAL ZONING DISTRICTS, IF THE
22 NATURAL GAS PROCESSING PLANT BUILDINGS MEET THE FOLLOWING
23 CONDITIONS:

24 (I) UNLESS THERE IS A WAIVER BY THE OWNER OF THE
25 BUILDING OR ADJOINING LOT, THE NATURAL GAS PROCESSING
26 PLANT BUILDING IS LOCATED AT THE GREATER OF:

27 (A) AT LEAST 750 FEET FROM THE NEAREST EXISTING
28 BUILDING; OR

29 (B) AT LEAST 200 FEET FROM THE NEAREST LOT LINE.

30 (II) THE NOISE LEVEL OF THE NATURAL GAS PROCESSING

1 PLANT AT THE PROPERTY LINE DOES NOT EXCEED THE LESSER OF:

2 (A) A NOISE STANDARD OF 60DBA; OR

3 (B) THE APPLICABLE STANDARD IMPOSED BY FEDERAL
4 LAW.

5 (9) IMPOSE RESTRICTIONS ON VEHICULAR ACCESS ROUTES FOR
6 OVERWEIGHT VEHICLES ONLY AS AUTHORIZED UNDER 75 PA.C.S.
7 (RELATING TO VEHICLES) OR THE MPC.

8 (10) DOES NOT ATTEMPT TO IMPOSE LIMITS OR CONDITIONS ON
9 SUBTERRANEAN OPERATIONS OR HOURS OF OPERATION.

10 § 3310. APPLICABILITY.

11 THIS CHAPTER SHALL APPLY TO THE ENFORCEMENT OF LOCAL
12 ORDINANCES EXISTING ON THE DATE OF THIS SECTION AND TO THE
13 ENACTMENT OR ENFORCEMENT OF LOCAL ORDINANCES ENACTED ON OR AFTER
14 THE EFFECTIVE DATE OF THIS CHAPTER.

15 Section 2. Repeals are as follows:

16 (1) The General Assembly declares that the repeal under
17 paragraph (2) is necessary to effectuate the addition of 58
18 Pa.C.S. Ch. 32.

19 (2) The act of December 19, 1984 (P.L.1140, No.223),
20 known as the Oil and Gas Act, is repealed.

21 ~~Section 3. The addition of 58 Pa.C.S. § 3225(a)(1), (2) and~~ ←
22 ~~(3) and (c) shall apply to wells drilled after the effective~~
23 ~~date of this section.~~

24 SECTION 3. THIS ACT SHALL APPLY AS FOLLOWS: ←

25 (1) THE ADDITION OF 58 PA.C.S. § 3225(A)(1)(III) SHALL
26 APPLY TO WELLS DRILLED AFTER THE EFFECTIVE DATE OF THIS
27 SECTION.

28 (2) THE ADDITION OF 58 PA.C.S. PT II SHALL APPLY TO ALL
29 OIL AND GAS DEPOSITS AND OIL AND GAS DEVELOPMENT ACTIVITIES
30 AND OPERATIONS SUBJECT TO THE JURISDICTION OF THE

1 COMMONWEALTH. WITH RESPECT TO OIL AND GAS DEPOSITS ON
2 NATIONAL FOREST LANDS IDENTIFIED UNDER SECTION 17(O) OF THE
3 MINERAL LEASING ACT (106 STAT. 3108, 30 U.S.C. § 226(O)), THE
4 APPLICATION OF REGULATIONS AND STATUTES ADOPTED BY THE
5 COMMONWEALTH SHALL BE THE EXCLUSIVE METHOD AND MEANS BY WHICH
6 ANY REQUIREMENTS MAY BE IMPOSED ON ANY FEATURE, ASPECT OR
7 PROCESS OF OIL AND GAS OPERATIONS PERTAINING TO THE
8 DEVELOPMENT OF THE DEPOSITS.

9 Section 4. The addition of 58 Pa.C.S. Ch. 32 is a
10 continuation of the act of December 19, 1984 (P.L.1140, No.223),
11 known as the Oil and Gas Act. The following apply:

12 (1) Except as otherwise provided in 58 Pa.C.S. Ch. 32,
13 all activities initiated under the Oil and Gas Act shall
14 continue and remain in full force and effect and may be
15 completed under 58 Pa.C.S. Ch. 32. Orders, regulations, rules
16 and decisions which were made under the Oil and Gas Act and
17 which are in effect on the effective date of section 2(2) of
18 this act shall remain in full force and effect until revoked,
19 vacated or modified under 58 Pa.C.S. Ch. 32. Contracts,
20 obligations and collective bargaining agreements entered into
21 under the Oil and Gas Act are not affected nor impaired by
22 the repeal of the Oil and Gas Act.

23 (2) Except as set forth in paragraph (3), any difference
24 in language between 58 Pa.C.S. Ch. 32 and the Oil and Gas Act
25 is intended only to conform to the style of the Pennsylvania
26 Consolidated Statutes and is not intended to change or affect
27 the legislative intent, judicial construction or
28 administration and implementation of the Oil and Gas Act.

29 (3) Paragraph (2) does not apply to the addition of the
30 following provisions:

1 (i) The following definitions in section 3203:

2 (A) "Unconventional formation."

3 (B) "Unconventional well."

4 (ii) Section 3211(a) introductory paragraph, (b),
5 (b.1), (b.2), (d), (e), (e.1) (5), (6) and (7), (f), (g)
6 and (k).

7 (iii) Section 3215(a), (b), (c) introductory
8 paragraph, (6) and (7) ~~and (d)~~, (D) AND (E). ←

9 (iv) Section 3218(a), (b.1), (b.2), (c), (c.1), (d)
10 (1), (3), (4) and (5) and (g).

11 (v) Section 3218.1.

12 (vi) Section 3218.2.

13 (vii) Section 3218.3.

14 (VIII) SECTION 3218.4. ←

15 (IX) SECTION 3218.5.

16 (X) SECTION 3218.6.

17 ~~(viii)~~ (XI) Section 3222(a.1), (b), (b.1), (b.2) and ←
18 (b.3).

19 ~~(ix)~~ (XII) Section 3225(a) (1), (2) and (3) (iii) and ←
20 (iv), (c), (d), (d.1) and (f).

21 ~~(x)~~ (XIII) Section 3253(c) and (f). ←

22 ~~(xi)~~ (XIV) Section 3255(a) and (b). ←

23 ~~(xii)~~ (XV) Section 3256. ←

24 ~~(xiii)~~ (XVI) Section 3292. ←

25 SECTION 4.1. IT IS NOT THE INTENT OF THE GENERAL ASSEMBLY TO ←
26 CHANGE, REPEAL OR OTHERWISE AFFECT ANY OF THE PROVISIONS OF THE
27 ACT OF DECEMBER 18, 1984 (P.L. 1069, NO. 214), KNOWN AS THE COAL
28 AND GAS RESOURCE COORDINATION ACT, OR TO CHANGE, REPEAL OR
29 OTHERWISE AFFECT ANY OF THE PROVISIONS OF THE ACT OF JANUARY 26,
30 2011 (P.L.7, NO.2), ENTITLED "AN ACT AMENDING THE ACT OF

1 DECEMBER 18, 1984 (P.L.1069, NO.214), ENTITLED 'AN ACT REQUIRING
2 COORDINATION OF COAL MINE AND GAS WELL OPERATORS; AUTHORIZING
3 DEPARTMENT OF ENVIRONMENTAL RESOURCES ENFORCEMENT POWERS; AND
4 PROVIDING PENALTIES,' FURTHER PROVIDING FOR DEFINITIONS, FOR
5 PERMITS, FOR PERMIT APPLICATION, FOR MINIMUM DISTANCE BETWEEN
6 GAS WELLS, FOR WELL CLASS DESIGNATION AND FOR COORDINATION OF
7 GAS WELL DRILLING THROUGH ACTIVE COAL MINES; PROVIDING FOR A
8 PILLAR SUPPORT STUDY; AND FURTHER PROVIDING FOR PLUGGING GAS
9 WELLS PENETRATING WORKABLE COAL SEAMS, FOR PENALTIES AND FOR
10 VALIDITY OF OTHER LAWS," WHICH AMENDED THE COAL AND GAS RESOURCE
11 COORDINATION ACT.

12 SECTION 4.2. WITHIN 180 DAYS OF THE EFFECTIVE DATE OF THIS
13 SECTION, THE DEPARTMENT OF TRANSPORTATION SHALL, BASED ON
14 ACCURATE DEPARTMENT RECORDS REFLECTING AVERAGE HISTORICAL
15 EXPENSES WHICH HAVE BEEN INCURRED IN THE REPAIR OF EXCESS
16 DAMAGES AND LEVELS OF USE BY INDUSTRIES, INCLUDING THE
17 TRANSPORTATION OF FOREST AND OTHER PRODUCTS, PUBLISH PROPOSED
18 REGULATIONS TO:

19 (1) ADOPT AN APPROPRIATE METHOD TO DETERMINE LEVELS OF
20 FINANCIAL SECURITY, DEGREES OF LIABILITY AND BONDING
21 REQUIREMENTS FOR HAULING IN EXCESS OF POSTED WEIGHT LIMITS ON
22 STATE AND LOCAL ROADS IN COUNTIES WHERE THERE ARE
23 UNCONVENTIONAL GAS WELLS; AND

24 (2) IMPOSE BONDING REQUIREMENTS BASED ON LEVELS OF USE
25 BY INDUSTRY.

26 Section 5. This act shall take effect as follows:

27 (1) The following provisions shall take effect
28 immediately:

29 ~~(i) This section.~~

30 ~~(ii) The addition of 58 Pa.C.S. § 3301.~~



1 (I) THE ADDITION OF 58 PA.C.S. § 3301. ←

2 (II) SECTION 4.1 OF THIS ACT.

3 (III) SECTION 4.2 OF THIS ACT.

4 (IV) THIS SECTION.

5 (2) Except for the addition of 58 Pa.C.S. § 3301, the
6 addition of 58 Pa.C.S. Ch. 33 shall take effect in 30 days.

7 (2.1) THE ADDITION OF 58 PA.C.S. § 3215 SHALL TAKE ←
8 EFFECT IN 120 DAYS.

9 (3) The addition of 58 Pa.C.S. § 3225 shall take effect
10 in 180 days.

11 (4) The remainder of this act shall take effect in 60
12 days.