

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2266 Session of  
2010

INTRODUCED BY GODSHALL, LONGIETTI, MOUL, SOLOBAY AND SONNEY,  
FEBRUARY 25, 2010

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
FEBRUARY 25, 2010

AN ACT

1 Amending the act of July 11, 2006 (P.L.1134, No.115), entitled  
2 "An act providing for the creation of a trust for the benefit  
3 of certain owners of interests in oil and gas; authorizing  
4 the trustee to enter into leases of interests in oil and gas  
5 under terms and conditions authorized by the court of common  
6 pleas; providing for the administration of the trust and for  
7 payment of moneys to the trustee; and imposing penalties for  
8 nonpayment," providing for mineral estate abandonment and for  
9 preservation of interests in oil and gas.

10 The General Assembly of the Commonwealth of Pennsylvania  
11 hereby enacts as follows:

12 Section 1. The act of July 11, 2006 (P.L.1134, No.115),  
13 known as the Dormant Oil and Gas Act, is amended by adding  
14 sections to read:

15 Section 6.1. Mineral estate abandonment.

16 (a) Circumstances deemed abandonment.--

17 (1) Except as otherwise provided under paragraph (2), an  
18 interest in oil or gas in land owned by a person other than  
19 the owner of the surface, which has not been sold, leased,  
20 mortgaged or transferred by instrument recorded in the  
21 recorder of deeds office for the county where the interest is

1 located for a period of 20 years, shall be deemed abandoned  
2 in the absence of:

3 (i) a permit to drill an oil or gas well issued by  
4 the department as to the interest;

5 (ii) the actual production or withdrawal of oil or  
6 gas from the lands or from lands covered by a lease to  
7 which the interest is subject or from lands pooled,  
8 unitized or included in unit operations of the interest;  
9 or

10 (iii) the use of the interest in underground gas  
11 storage operations, during that 20-year period.

12 (2) An interest in oil or gas in land owned by a person  
13 identified under paragraph (1) shall not be deemed abandoned  
14 if the owner records a claim of interest as provided in  
15 section (b), prior to the latest of the following:

16 (i) July 1, 2026;

17 (ii) twenty years after the last sale, lease,  
18 mortgage or transfer of record of the interest; or

19 (iii) twenty years after the last:

20 (A) issuance of a drilling permit as to the  
21 interest;

22 (B) actual production or withdrawal of oil or  
23 gas, from the land, or from lands covered by a lease  
24 to which the interest is subject, or from lands  
25 pooled, unitized or included in unit operations of  
26 the interest; or

27 (C) use of the interest in underground gas  
28 storage operations.

29 (b) Vesting of interest.--An interest in oil or gas deemed  
30 abandoned under subsection (a) shall vest as of the date of the

abandonment in the owner or owners of the surface in keeping  
with the character of the surface ownership.

Section 6.2. Preservation of interests in oil and gas.

(a) General rule.--An interest in oil or gas may be  
preserved by recording within the period specified by this act a  
written notice in the recorder of deeds office for the county in  
which the land is located.

(b) Form of notice.--The notice shall:

(1) Be verified by oath.

(2) Describe the land and the nature of the interest  
claimed.

(3) Provide the name and address of the person or  
persons claiming the interest.

(4) State that the person or persons desire to preserve  
the interest and do not intend to abandon the interest.

(c) Adequacy of description of interest.--A person other  
than the owner of the surface holding an interest in oil or gas  
in land for use in underground storage field operations may  
preserve the interest, and the rights of a lessor of the  
interest, by recording a single written notice defining the  
boundaries of and the formations included in the underground gas  
storage field without the necessity of describing each separate  
interest in oil or gas claimed in the underground gas storage  
field by that person.

(d) Legal effect of recorded notice.--

(1) Recording a written notice under this section shall  
operate to preserve the interest in oil or gas included in  
the written notice from abandonment under this act for a  
period of 20 years after recording.

(2) At the conclusion of the 20-year period, the

1 interest shall be deemed abandoned if, during that 20-year  
2 period:

3 (i) the nondormant character of the interest has not  
4 been evidenced by sale, lease, mortgage or transfer by  
5 instrument recorded in the recorder of deeds office for  
6 the county in which the interest is located;

7 (ii) a drilling permit has not been issued;

8 (iii) oil or gas has not actually produced or  
9 withdrawn from the land, or from lands covered by a lease  
10 to which the interest is subject, or from lands pooled,  
11 unitized or included in unit operations of the interest;

12 (iv) there has been no use of the interest in  
13 underground gas storage operations; or

14 (v) no similar notice has been filed.

15 (e) Indefinitely preserving interest in oil and gas.--In the  
16 absence of prior abandonment, an interest in oil or gas in land  
17 owned by a person other than the owner of the surface may be  
18 preserved indefinitely from abandonment under this act by filing  
19 written notices as provided in this act or the performance of  
20 any of the acts specified in this act evidencing nondormancy of  
21 the interest within each succeeding 20-year period.

22 (f) Affidavit of good faith.--

23 (1) For the purposes of this act, a person who uses an  
24 interest in the gas of the underground gas storage field  
25 operations may file a good faith affidavit in the recorder of  
26 deeds office for the county or counties where the interest is  
27 located, which affidavit must define the boundaries of the  
28 underground gas storage field and the formations included in  
29 the underground gas storage field.

30 (2) An affidavit that complies with paragraph (1) shall

1     be prima facie evidence of the use of the interest in the gas  
2     of the underground gas storage field operations.

3     Section 7.1. Applicability.

4     This act shall not apply to an interest in oil or gas owned  
5     by a governmental body or agency.

6     Section 2. This act shall take effect in 60 days.