
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1635 Session of
2019

INTRODUCED BY CAUSER, RAPP, METCALFE, BARRAR, BENNINGHOFF,
BERNSTINE, COOK, COX, DAY, DIAMOND, DOWLING, DUNBAR, DUSH,
EVERETT, FRITZ, GABLER, GLEIM, GREINER, GROVE, HEFFLEY,
HERSHEY, HILL-EVANS, IRVIN, JAMES, JONES, JOZWIAK, KAIL,
KAUFER, KAUFFMAN, KEEFER, M. K. KELLER, MACKENZIE, MARSHALL,
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RADER, REESE, ROAE, RYAN, SANKEY, SAYLOR, SCHEMEL, SCHMITT,
SIMMONS, SNYDER, SONNEY, STRUZZI, TOPPER, WALSH, WARNER,
WENTLING, WHEELAND AND ZIMMERMAN, JUNE 14, 2019

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
JUNE 14, 2019

AN ACT

1 Relating to conventional wells and the development of oil, gas
2 and coal; imposing powers and duties on the Department of
3 Environmental Protection; and providing for preliminary
4 provisions, for general requirements, for underground gas
5 storage, for enforcement and remedies, for related funds,
6 parties and activities and for miscellaneous provisions.

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17 The General Assembly of the Commonwealth of Pennsylvania
18 hereby enacts as follows:

19 CHAPTER 1

20 PRELIMINARY PROVISIONS

21 Section 101. Short title.

22 This act shall be known and may be cited as the Conventional
23 Oil and Gas Wells Act.

24 Section 102. Declaration of purpose.

25 The purposes of this act are to:

26 (1) Permit the optimal development of the oil and gas
27 resources of Pennsylvania consistent with the property rights
28 of owners of the oil and gas resources and the protection of
29 the health, safety, environment and property of the residents
30 of this Commonwealth.

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

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

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

10 (5) Provide a flexible and cost-effective way to
11 implement and enforce the provisions of this act.

12 Section 103. Scope.

13 This act relates to conventional wells and well sites only.

14 Section 104. Definitions.

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

18 "Abandoned well." Any of the following:

19 (1) A well that has not been used to produce, extract or
20 inject gas, petroleum or other liquid within the preceding 12
21 months.

22 (2) A well for which equipment necessary for production,
23 extraction or injection has been permanently removed.

24 (3) A well, considered dry, not equipped for production
25 within 60 days after drilling, re-drilling or deepening,
26 except that it shall not include a well granted inactive
27 status.

28 "Alteration." An operation which changes the physical
29 characteristics of the well bore, including removing, repairing
30 or changing the casing. For the purpose of this act only, the

1 term shall not include:

2 (1) Repairing or replacing of casing if the activity
3 does not affect the depth or diameter of the well bore, the
4 use or purpose of the well does not change and the activity
5 complies with regulations promulgated under this act.

6 However, this exclusion shall not apply to production casings
7 in coal areas when the production casings are also the coal
8 protection casings and shall not apply when the method of
9 repairing or replacing the casing would affect the coal
10 protection casing.

11 (2) Stimulation of a well.

12 "Anti-icing." Brine applied directly to a paved road prior
13 to a precipitation event.

14 "Bridge." An obstruction placed or occurring naturally in a
15 well at a specified depth.

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

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

20 "Cement" or "cement grout." Hydraulic cement properly mixed
21 with water only or a mixture of materials adequate for bonding
22 or sealing of well bores as approved by regulations promulgated
23 in this act.

24 "Coal mine." Operations in a coal seam, which include the
25 excavated and abandoned portions as well as the places actually
26 being worked, all underground workings and shafts, slopes,
27 tunnels and other ways and openings and all shafts, slopes,
28 tunnels and other openings in the course of being sunk or
29 driven, together with all roads and facilities connected with
30 them below the surface.

1 "Coal operator." A person who proposes or has a permit to
2 operate or operates a coal mine either as owner or lessee.

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

6 "Conventional well." As follows:

7 (1) A bore hole drilled or being drilled for the purpose
8 of or to be used for construction of a well regulated under
9 this act that is not an unconventional well, irrespective of
10 technology or design.

11 (2) The term includes, but is not limited to, the
12 following:

13 (i) Wells drilled to produce oil.

14 (ii) Wells drilled to produce natural gas from
15 formations other than shale formations.

16 (iii) Wells drilled to produce natural gas from
17 shale formations located above the base of the Elk Group
18 or its stratigraphic equivalent.

19 (iv) Wells drilled to produce natural gas from shale
20 formations located below the base of the Elk Group where
21 natural gas can be produced at economic flow rates or in
22 economic volumes without the use of vertical or
23 nonvertical well bores stimulated by hydraulic fracture
24 treatments or multilateral well bores or other techniques
25 to expose more of the formation to the well bore.

26 (v) Irrespective of formation, wells drilled for
27 collateral purposes, such as monitoring, geologic
28 logging, secondary and tertiary recovery or disposal
29 injection.

30 "Council." The Pennsylvania Grade Crude Development Advisory

1 Council.

2 "De-icing." Brine applied directly to a paved road after a
3 precipitation event.

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

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

8 "Dust control." The process of applying a material to the
9 surface of a dirt road for the purpose of mitigating air
10 pollution.

11 "Fresh groundwater." Water in that portion of the generally
12 recognized hydrologic cycle which occupies the pore spaces and
13 fractures of saturated subsurface materials.

14 "Gas." A fluid, either combustible or noncombustible, which
15 is produced in a natural state from the earth and which
16 maintains a gaseous or rarified state at standard temperature of
17 60 degrees Fahrenheit and pressure 14.7 PSIA, a manufactured
18 gas, byproduct gas or mixture of gases.

19 "Inactivate." To shut off the vertical movement of gas in a
20 gas storage well by means of a temporary plug or other suitable
21 device or by injecting bentonitic mud or other equally nonporous
22 material into the well.

23 "Linear foot." A unit or measurement in a straight line on a
24 horizontal plane.

25 "Noncoal area." An area where there are no workable coal
26 seams.

27 "Notice." For the purpose of providing required notice to
28 the department, includes notice provided by telephone, e-mail or
29 other available electronic means.

30 "Oil" or "petroleum." Hydrocarbons in liquid form at a

1 standard temperature of 60 degrees Fahrenheit and pressure of
2 14.7 PSIA.

3 "Operating coal mine." The portion of a workable coal seam
4 which is covered by an underground mining permit issued by the
5 department.

6 "Operating well." A well not plugged and abandoned.

7 "Orphan well." A well abandoned prior to April 18, 1985,
8 that has not been affected or operated by the present owner or
9 operator and from which the present owner, operator or lessee
10 has received no economic benefit, except only as a landowner or
11 recipient of a royalty interest from the well.

12 "Outside coal boundaries." When used in conjunction with the
13 term "operating coal mine," the boundaries of the coal acreage
14 assigned to a coal mine under an underground mine permit issued
15 by the department.

16 "Owner." A person who owns, manages, leases, controls or
17 possesses a well or coal property; except that for purposes of
18 sections 303(b)(4) and (5) and 310, the term "owner" shall not
19 include those owners or possessors of surface real property on
20 which the abandoned well is located who did not participate or
21 incur costs in the drilling or extraction operation of the
22 abandoned well and had no right of control over the drilling or
23 extraction operation of the abandoned well. The term shall not
24 apply to orphan wells except where the department determines a
25 prior owner or operator benefited from the well as provided in
26 section 310(a).

27 "Person." An individual, association, partnership,
28 corporation, political subdivision, agency of the Federal or
29 State Government or other legal entity.

30 "Pillar." A solid block of coal surrounded by either active

1 mine workings or a mined-out area.

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

4 "Prewetting." Mixing brine with antiskid material prior to
5 roadway application.

6 "Retreat mining." The removal of coal pillars, ribs and
7 stumps that remain after the development mining has been
8 completed in a section of a coal mine.

9 "Secretary." The Secretary of Environmental Protection of
10 the Commonwealth.

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

16 (1) A mine bore as referenced in 25 Pa. Code Ch. 73
17 (relating to standards for onlot sewage treatment
18 facilities).

19 (2) A bore hole drilled or being drilled for the purpose
20 of or to be used for systems of monitoring, producing or
21 extracting gas from solid waste disposal facilities, as long
22 as the wells are subject to the act of July 7, 1980 (P.L.380,
23 No.97), known as the Solid Waste Management Act, and do not
24 penetrate a workable coal seam. The term also does not
25 include a bore hole drilled or being drilled for the purpose
26 of or to be used for degasifying coal seams if the following
27 conditions are satisfied:

28 (i) (A) the bore hole is used to vent methane to
29 the outside atmosphere from an operating coal mine;

30 (B) the bore hole is regulated as part of the

1 mining permit under the act of June 22, 1937
2 (P.L.1987, No.394), known as The Clean Streams Law,
3 and the act of May 31, 1945 (P.L.1198, No.418), known
4 as the Surface Mining Conservation and Reclamation
5 Act; and

6 (C) the bore hole is drilled by the operator of
7 the operating coal mine for the purpose of increased
8 safety; or

9 (ii) the bore hole is used to vent methane to the
10 outside atmosphere under a Federally funded or State-
11 funded abandoned mine reclamation project.

12 "Well operator" or "operator." All of the following:

13 (1) A person designated as the well operator or operator
14 on the permit application or well registration.

15 (2) Where a permit or registration was not issued, a
16 person who locates, drills, operates, alters or plugs a well
17 or reconditions a well with the purpose of production from
18 the well.

19 (3) In cases where a well is used in connection with the
20 underground storage of gas, a storage operator.

21 "Well site." The areas occupied by equipment or facilities
22 necessary for or incidental to drilling, completion, production
23 of or plugging a well.

24 "Wetland." An area that is inundated or saturated by surface
25 or groundwater at a frequency and duration sufficient to
26 support, and that under normal circumstances supports, a
27 prevalence of vegetation typically adapted for life in saturated
28 soil conditions, including swamps, marshes, bogs and similar
29 areas.

30 "Workable coal seams." The term includes:

1 (1) A coal seam in fact being mined in the area in
2 question under this act by underground methods.

3 (2) A coal seam which, in the judgment of the
4 department, can reasonably be expected to be mined by
5 underground methods.

6 CHAPTER 3

7 GENERAL REQUIREMENTS

8 Section 301. Well permits.

9 (a) Permit required.--Except as provided under subsection
10 (j), a person shall not drill a well or alter an existing well
11 without having first obtained a well permit under this section
12 and shall not operate an abandoned or orphan well unless the
13 person is in compliance with subsection (m). A copy of the
14 permit shall be kept at the well site during drilling or
15 alteration of the well. No person shall be required to obtain a
16 permit to redrill a nonproducing well if:

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

23 (2) the redrilling is incidental to the plugging or
24 replugging operation and the well subsequently is plugged
25 within 15 days of redrilling.

26 (b) Plat.--

27 (1) The permit application shall be accompanied by a
28 plat prepared by a certified professional in erosion and
29 sediment control, a competent engineer or a competent
30 surveyor on forms to be furnished by the department showing

1 the following:

2 (i) The political subdivision and county in which
3 the tract of land upon which the well to be drilled is
4 located.

5 (ii) The name of the surface landowner of record and
6 lessor.

7 (iii) The names of all surface landowners or water
8 purveyors whose water supplies are within 1,000 feet of
9 the proposed well location.

10 (iv) The name of the owner of record or operator of
11 all known underlying workable coal seams, if any.

12 (v) The acreage in the tract to be drilled.

13 (vi) The proposed location of the well determined by
14 survey.

15 (vii) The courses and distances of the location from
16 two or more permanent identifiable points or landmarks on
17 the tract boundary corners.

18 (viii) The proposed angle and direction of the well,
19 if the well is to be deviated substantially from a
20 vertical course.

21 (ix) The number or other identification to be given
22 to the well.

23 (x) The workable coal seams, if any, underlying the
24 tract of land upon which the well is to be drilled or
25 altered, which are to be cased off in accordance with
26 section 307.

27 (xi) Other information needed by the department to
28 administer this act.

29 (2) The applicant shall forward, by certified mail, a
30 copy of the plat to the surface landowner, all surface

1 landowners or water purveyors whose water supplies are within
2 1,000 feet of the proposed well location, the owner and
3 lessee, if any, of the workable coal seams and every coal
4 operator required to be identified on the well permit
5 application and shall submit proof of the notification with
6 the well permit application. With respect to surface
7 landowners, notification shall be accomplished under this
8 section by sending notice to the persons to whom the tax
9 notices for the surface property are sent, as indicated in
10 the assessment books in the county in which the property is
11 located. With respect to surface landowners or water
12 purveyors whose water supplies are within 1,000 feet of the
13 proposed well location, notification shall be made on forms
14 and in a manner prescribed by the department sufficient to
15 identify, for those persons, the rights afforded them under
16 section 308 and the advisability of taking their own
17 predrilling or prealteration survey. With respect to the coal
18 operator, lessee or owner, if any, notification shall be
19 accomplished under this section by sending notice to the
20 persons to whom tax notices for the workable coal seams are
21 sent, as indicated in the assessment books, if available, or
22 as indicated in the records of the recorder of deeds office
23 in the county in which the seams are located. If certified
24 mail or notification is returned undeliverable, the applicant
25 shall include a completed affidavit attesting to the
26 attempted delivery, which shall satisfy the notification
27 requirements under this section.

28 (3) If the applicant submits to the department written
29 approval of the proposed well location by the surface
30 landowner and the coal operator, lessee or owner, if any, of

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

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

21 (d) Permit fee.--An application for a well permit shall be
22 accompanied by a permit fee, established by regulation of the
23 department, which bears a reasonable relationship to the cost of
24 administering this act.

25 (e) Issuance of permit.--The department shall issue a permit
26 within 45 days of the submission of a permit application unless
27 the department denies the permit application for one or more of
28 the reasons set forth under this subsection, provided that the
29 department shall have the right to extend the period for 15 days
30 for cause shown upon notification to the applicant of the

1 reasons for that extension. The department may impose permit
2 terms and conditions as are necessary to assure compliance with
3 this act and other laws administered by the department. The
4 department has the burden of proving that the conditions were
5 necessary to protect against probable harmful impact to health,
6 safety, environment or property and shall allow the optimal
7 development of oil and gas resources consistent with the
8 property rights of the owners of the oil and gas resources. The
9 department shall have the authority to deny a permit to a person
10 for the following reasons:

11 (1) The well site for which a permit is requested is in
12 violation of the provisions of this act or if issuance of a
13 permit would result in a violation of this act or any other
14 applicable environmental statute, rule or regulation.

15 (2) The permit application is incomplete.

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

18 (4) The requirements of section 315 have not been met.

19 (5) The applicant, with respect to other well or wells
20 which the applicant operates, is in continuing violation of
21 this act or other applicable statute administered by the
22 department. The right of the department to deny a permit
23 under this paragraph shall not be effective until a final
24 administrative determination has been made of the violations
25 and no appeal is pending in which a stay has been granted.

26 (f) Drilling.--Upon issuance of a permit, the well operator
27 may proceed with the drilling of the well at the location shown
28 on the plat after providing the department 24 hours' notice of
29 the date that drilling will commence. In noncoal areas where
30 more than one well is to be drilled as part of the same

1 development project, only the first well of the project need be
2 located by survey. The remaining wells of the project shall be
3 shown on the plat in a manner prescribed by regulation. Prior to
4 drilling each of the additional project wells, the well operator
5 shall notify the department of the operator's intention and
6 provide reasonable notice of the date drilling will commence.
7 If, before or during the drilling of a well which is not within
8 the outside boundaries of an operating coal mine, a well
9 operator encounters conditions of a nature as to render drilling
10 of the bore hole or portions of the bore hole more hazardous
11 than usual or otherwise difficult, the well operator shall have
12 the right upon oral notice to the department to immediately plug
13 all or portions of the bore hole, if drilling has occurred, and
14 to commence a new bore hole not more than 50 feet from the
15 location shown on the plat if the location of the new bore hole
16 does not violate section 305 and if, for wells subject to the
17 act of July 25, 1961 (P.L.825, No.359), known as the Oil and Gas
18 Conservation Law, the new location complies with existing law,
19 regulation or spacing order and if the new bore hole is a
20 minimum of 330 feet distant from the nearest lease boundary. If
21 drilling occurred at an original bore hole, within 10 days of
22 commencement of the new bore hole, the well operator shall file
23 with the department a written notice of intention to plug, a
24 well record, a completion report, a plugging certificate for the
25 original bore hole and an amended plat for the new bore hole.
26 The well operator shall forward a copy of the amended plat to
27 the surface landowner identified on the well permit application
28 within 10 days of commencement of the new well bore.

29 (g) Posting.--The well permit number and operator's name,
30 address and telephone number shall be posted at the drilling

1 site in a conspicuous manner prior to commencement of drilling.

2 (h) Labeling.--The well operator shall install the permit
3 number issued by the department in a legible, visible and
4 permanent manner at the well upon completion.

5 (i) Expiration.--Well permits issued for drilling of wells
6 covered by this act shall expire three years after issuance
7 unless operations for drilling the well are commenced within the
8 period and pursued with due diligence or unless the permit is
9 renewed in accordance with regulations of the department. If
10 drilling is commenced during the three-year period, the well
11 permit shall remain in force until the well is plugged in
12 accordance with section 310 or the permit is revoked. A drilling
13 permit issued prior to April 18, 1985, for a well which is an
14 operating well on April 18, 1985, shall remain in force as a
15 well permit until the well is plugged in accordance with section
16 310. Nothing in this subsection shall be construed to rescind
17 the provisions pertaining to drilling permits contained in the
18 Oil and Gas Conservation Law.

19 (j) Exceptions.--The Environmental Quality Board may
20 establish by regulation certain categories of alterations of
21 permitted or registered wells for which the permitting
22 requirements of this section shall not apply. The well operator
23 or owner who proposes to conduct the alteration activity shall
24 first obtain a permit from the department. Requirements for
25 modifications shall be as the Environmental Quality Board shall
26 require by regulation.

27 (k) No transfer permitted.--No permit issued under this
28 section may be transferred without prior approval of the
29 department. Requests for approval of transfer shall be made on
30 forms or in a manner prescribed by the department. The

1 department shall approve or deny the transfer request within 45
2 days of receipt of a complete and accurate application. The
3 department shall only have the authority to deny the request for
4 the reasons set forth under subsection (e) (4) or (5). Approval
5 of the transfer request shall permanently transfer
6 responsibility to plug the well under section 310 to the
7 recipient of the transferred permit or registration.

8 (l) Accelerated approval.--The department may establish a
9 procedure for accelerated approval of well permit applications
10 in hardship cases, as defined by regulation of the Environmental
11 Quality Board, consistent with the requirements of this act.

12 (m) Regulations.--The Environmental Quality Board may
13 establish by regulation requirements for permitting and
14 operation of abandoned or orphan wells. A person who proposes to
15 conduct abandoned or orphan well operations shall first obtain a
16 permit to adopt and operate an abandoned or orphan well.
17 Section 302. Permit objections.

18 (a) General rule.--If a well location referred to in section
19 301(b) is made so that the well, when drilled, will be located
20 on a tract whose surface is owned by a person other than the
21 well operator, the surface landowner affected shall be notified
22 of the intent to drill and have right to file objections, in
23 accordance with section 701, based solely on an assertion that
24 the well location violates section 305 or that information in
25 the application is untrue in any material respect, within 15
26 days of the receipt by the surface owner of the plat provided
27 for in section 301(b). Receipt of notice by the surface owner
28 shall be presumed to have occurred 15 days from the date of the
29 certified mailing when the well operator submits a copy of the
30 certified mail receipt sent to the surface owner and an

1 affidavit certifying that the address of the surface owner to
2 which notice was sent is the same address that is listed in the
3 assessment books in the county in which the property is located.
4 If no objections are filed or none are raised by the department
5 within 15 days after receipt of the plat by the surface
6 landowner, or if written approval by the surface landowner is
7 filed with the department and no objections are raised by the
8 department within 15 days of filing, the department shall
9 proceed to issue or deny the permit.

10 (b) Special circumstances.--If a well location referred to
11 in section 301(b) is made so that the well, when drilled, will
12 penetrate anywhere within the outside coal boundaries of:

13 (1) an operating coal mine; or

14 (2) a coal mine already projected and platted but not
15 yet being operated for which a technically complete mine
16 permit application has been filed with the department or
17 within 1,000 linear feet beyond the boundaries and the well,
18 when drilled, or the pillar of coal around the well will, in
19 the reasonable opinion of the coal owner or operator,
20 endanger the mine, the coal owner or operator affected shall
21 have the right to file objections in accordance with section
22 701 to the proposed location within 15 days of the receipt by
23 the coal operator of the plat provided for in section 301(b).
24 An alternative location at which the proposed well could be
25 drilled to overcome the objections shall be indicated if
26 possible. If no objections to the proposed location are filed
27 or if none are raised by the department within 15 days after
28 receipt of the plat by the coal operator or owner, or if
29 written approval by the coal operator or owner of the
30 location is filed with the department and no objections are

1 raised by the department within 15 days of filing, the
2 department shall proceed to issue or deny the permit.

3 (c) Procedure upon objection.--If an objection is filed by a
4 coal operator or owner or is made by the department, the
5 department shall fix a time and place for a conference in
6 accordance with section 701 not more than 10 days from the date
7 of the service of the objections on the well operator, at which
8 conference the well operator and coal operators or owners
9 present or represented shall consider the objections and attempt
10 to agree upon a location. If the parties fail to agree upon a
11 location, the department shall, by an appropriate order,
12 determine a location on a tract of land as near to the original
13 location as possible where, in the judgment of the department,
14 the well can be safely drilled without unduly interfering with
15 or endangering the mine as described in subsection (b). The new
16 location, as agreed upon by the parties or as determined by the
17 department, shall be indicated on the plat on file with the
18 department and shall become a permanent record, whereupon the
19 department shall proceed to issue or deny the permit.

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

26 Section 303. Orphan well adoption and identification.

27 (a) Orphan wells.--

28 (1) Well owners or operators who discover abandoned
29 wells on property purchased or leased by them shall identify
30 the well to the department within 60 days of discovery and

1 advise the department that they are seeking classification of
2 the well as an orphan well. No fee shall be required for the
3 identification.

4 (2) Operators shall undertake reasonable diligence to
5 identify abandoned, orphan, active or inactive wells through
6 review of the department's public well databases and field
7 examination prior to hydraulic fracturing. The department may
8 not require operators to undertake landowner surveys for
9 these wells.

10 (3) (i) During hydraulic fracturing, the operator shall
11 periodically monitor orphan, abandoned, active or
12 inactive wells that are located within the area of the
13 operator's oil and gas operating interest and are within:

14 (A) two hundred feet of the top hole location of
15 an oil well being hydraulically fractured and within
16 400 feet of a gas well being hydraulically fractured;
17 or

18 (B) half the well field spacing if the spacing
19 exceeds the distances under clause (A).

20 (ii) The area of monitoring for horizontal
21 conventional wells shall include wells within half the
22 well field distances of the lateral portion of the wells.
23 An operator shall provide notice to the department if the
24 well being hydraulically fractured communicates with the
25 monitored well in a manner that has the potential to
26 cause an adverse environmental impact.

27 (4) A person who is not a well owner or operator and who
28 discovers an abandoned well on property owned or leased by
29 the person shall identify the well to the department within
30 60 days of discovery and advise the department that the

1 person is seeking classification of the well as an orphan
2 well. No fee shall be required for the identification.

3 (5) A person who proposes to conduct orphan well
4 operations shall first obtain a permit to adopt and operate
5 an orphan well in accordance with section 301.

6 (b) Information.--Information regarding wells to be
7 identified shall be provided on forms or in a manner prescribed
8 by the department and shall include:

9 (1) The name and address of the well operator and, if
10 the well operator is a person that does not reside in this
11 Commonwealth, the name and address of an agent for the
12 operator upon whom notices, orders, process or other
13 communications issued under this act may be served.

14 (2) The well name and the location of the well indicated
15 by a point on a 7.5-minute United States Geological Survey
16 topographic map or any other location description sufficient
17 to enable the department to locate the well on the ground.

18 (3) The approximate date of the drilling and completion
19 of the well and the approximate depth of the well, producing
20 horizons, well construction information and driller's logs,
21 if available.

22 (4) An indemnity bond, an alternative fee in lieu of
23 bonding or other evidence of financial security submitted by
24 the well operator and deemed appropriate by the department as
25 satisfying the requirements of section 315. No bond,
26 alternative fee or other evidence of financial security shall
27 be required for identification of an orphan well.

28 (c) Guidelines.--The department may adopt and promulgate
29 guidelines designed to ensure a fair implementation of this
30 section which recognizes the practical difficulties of locating

1 unpermitted wells and complying with the reporting requirements
2 of this act.

3 Section 304. Inactive status.

4 (a) General rule.--Upon application, the department shall
5 grant, within 60 days of receipt of the application, inactive
6 status for a permitted or registered well if the following
7 requirements are met:

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

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

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

22 (4) The applicant satisfies the bonding requirements of
23 sections 303 and 315, except that the department may require
24 additional financial security for a well on which an
25 alternative fee is being paid in lieu of bonding under
26 section 315(d).

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

1 on an annual basis to the department in a manner and form as the
2 department shall prescribe by regulation. A well granted
3 inactive status under subsection (a) shall be plugged when the
4 well no longer meets the requirements of subsection (a).

5 (c) Return to active status.--An owner or operator who has
6 been granted inactive status for a well which is returned to
7 active status shall notify the department that the well has been
8 returned to active status. The owner or operator may make
9 application to return the well to inactive status in accordance
10 with subsection (a).

11 (d) Revocation of inactive status.--

12 (1) The department shall have the right to revoke
13 inactive status and order the immediate plugging of a well
14 under any of the following circumstances:

15 (i) When the well is in violation of this act or
16 rules or regulations promulgated under this act.

17 (ii) When the owner or operator demonstrates
18 inability to perform the owner's or operator's
19 obligations under this act.

20 (iii) When the owner or operator becomes financially
21 insolvent.

22 (iv) Upon receipt by the department of notice of
23 bankruptcy proceedings by the permittee.

24 (2) If the department revokes inactive status, a well
25 owner or operator aggrieved by the denial shall have the
26 right to appeal the denial to the Environmental Hearing Board
27 within 30 days of receipt of the revocation. Upon cause shown
28 by a well owner or operator, the Environmental Hearing Board
29 may grant a supersedeas under section 4 of the act of July
30 13, 1988 (P.L.530, No.94), known as the Environmental Hearing

1 Board Act, to allow the well to retain inactive status during
2 the period of appeal.

3 Section 305. Well location restrictions.

4 (a) General rule.--Wells may not be drilled within 200 feet
5 measured horizontally from an existing building or existing
6 water well without the written consent of the owner of the
7 existing building or existing water well. Where the distance
8 restriction would deprive the owner of the oil and gas rights or
9 the right to produce or share in the oil or gas underlying the
10 surface tract, the well operator may be granted a variance from
11 the distance restriction upon submission of a plan which
12 identifies the additional measures, facilities or practices to
13 be employed during well site construction, drilling and
14 operations. The variance, if granted, shall include additional
15 terms and conditions as the department requires as necessary to
16 ensure the safety and protection of affected persons and
17 property. The provisions may include insurance, bonding and
18 indemnification, as well as technical requirements.

19 (b) Limitation.--No well site may be prepared or well
20 drilled within 100 feet measured horizontally from a stream,
21 spring or body of water as identified on the most current 7.5-
22 minute topographic quadrangle map of the United States
23 Geological Survey or within 100 feet of wetlands greater than
24 one acre in size. The department may waive the distance
25 restrictions upon submission of a plan which identifies the
26 additional measures, facilities or practices to be employed
27 during well site construction, drilling and operations. The
28 waiver, if granted, shall impose permit conditions as are
29 necessary to protect the waters of this Commonwealth.

30 (c) Protection of threatened or endangered species.--Well

1 permit applicants are obligated to determine impacts to
2 threatened or endangered species in accordance with applicable
3 law. The department shall, on making a determination on a well
4 permit, consider the impact of the proposed well on habitats of
5 threatened or endangered species that are listed in a final
6 rulemaking by a Federal or State agency with statutory authority
7 to list species for protection.

8 Section 306. Well site restoration.

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

12 (b) Plan.--During and after all earthmoving or soil
13 disturbing activities, including, but not limited to, activities
14 related to siting, drilling, completing, producing and plugging
15 the well, erosion and sedimentation control measures shall be
16 implemented in accordance with an erosion and sedimentation
17 control plan prepared in accordance with the act of June 22,
18 1937 (P.L.1987, No.394), known as The Clean Streams Law. For
19 purpose of determining the five-acre permit threshold under the
20 Clean Streams Law, the earth disturbance footprint of the well
21 site may be combined with a portion of the access road only if
22 it is directly connected to the well site and will be
23 constructed at the same time as the well site. Well sites may be
24 restored prior to drilling and completing the well.

25 (c) Pits, drilling supplies and equipment.--Within nine
26 months after completion of drilling of a well, the owner or
27 operator shall restore the well site, remove or fill all pits
28 used to contain produced fluids or industrial wastes and remove
29 all drilling supplies and equipment not needed for production or
30 repairs. Drilling supplies and equipment not needed for

1 production or repairs may be stored on the well site consistent
2 with the property rights of the owner of the oil and gas
3 resources or if the express written consent of the surface
4 landowner is obtained or is contained in historical documents.

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

9 (e) Clean Streams Law.--Restoration activities required by
10 this act or in regulations promulgated under this act shall not
11 be more stringent than applicable provisions of The Clean
12 Streams Law. There shall be no mandatory requirement to return
13 well sites to approximate original contours or conditions.

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

17 (g) Extension of restoration.--The restoration period may be
18 extended by the department for an additional 12 months upon
19 application of the well owner or operator providing evidence of
20 inability to comply due to adverse weather conditions or lack of
21 essential fuel, equipment or labor, or upon a demonstration that
22 the extension will result in less earth disturbance, increased
23 water reuse or more efficient development of the resource.

24 Section 307. Protection of fresh groundwater and casing
25 requirements.

26 (a) General rule.--To aid in the protection of fresh
27 groundwater, the well operator shall control and dispose of
28 brines produced from the drilling, alteration or operation of an
29 oil or gas well in a manner consistent with the act of June 22,
30 1937 (P.L.1987, No.394), known as The Clean Streams Law, or any

1 rule or regulation promulgated under The Clean Streams Law.

2 (b) Casing.--To prevent the migration of gas or fluids into
3 sources of fresh groundwater and to prevent pollution or
4 diminution of fresh groundwaters, there shall be run and
5 permanently cemented a string or strings of casing in each well
6 drilled through the fresh water-bearing strata to a depth and in
7 a manner prescribed by regulation by the department. The
8 regulations shall be consistent with practices that have proven
9 to be satisfactory in regional areas and are in accordance with
10 geologic variability or anomalies in the regional areas. If it
11 is anticipated that cement used to permanently cement the
12 surface casing cannot be circulated to the surface, a cement
13 basket may be installed immediately above the depth of the last
14 circulation zone. The casing shall be permanently cemented by
15 the displacement method. Additional cement may be added above
16 the cement basket, if necessary, by pumping from the surface to
17 fill the annular space.

18 (c) Noncoal areas.--In noncoal areas, the surface casing may
19 be employed as the production casing, provided the operator
20 pumps a volume of cement equal to or greater than 120% of the
21 calculated annular space and, at well completion or earlier, the
22 top of the cement is determined to be at or above the depth of
23 50% of the casing. If the casing coverage is insufficient, the
24 operator shall produce oil only leaving the annulus open, run
25 alternative production casing or pump additional cement through
26 a pour string from the surface to fill the annular space.

27 (d) Procedure when coal removed.--When a well is drilled at
28 a location where the coal has been removed from one or more coal
29 seams, the well shall be drilled and cased to prevent the
30 migration of gas or fluids into the seam from which the coal has

1 been removed, in a manner prescribed by regulation of the
2 department. The department and the coal operator, owner or
3 lessee shall be given at least 72 hours' notice prior to
4 commencement of the work protecting the mine.

5 (e) Procedure when coal not removed.--When a well is drilled
6 at a location where the coal seam has not been removed, the well
7 shall be drilled to a depth and size as will permit the placing
8 of casing, packers in, and vents on, the hole at the points and
9 in a manner prescribed by the department by regulation as will
10 exclude all gas or fluids from the coal seam, except as may be
11 found naturally in the coal seam itself, and will enable the
12 monitoring of the integrity of the production casing.

13 Section 308. Protection of water supplies.

14 (a) General rule.--A well operator who affects a public or
15 private water supply by pollution or diminution shall restore or
16 replace the affected supply with an alternate source of water
17 adequate in quantity or quality for the purposes served by the
18 supply. The quality of a restored or replaced water supply will
19 be deemed adequate if it meets the standards established under
20 the act of May 1, 1984 (P.L.206, No.43), known as the
21 Pennsylvania Safe Drinking Water Act, or is comparable to the
22 quality of the water supply before it was affected by the
23 operator if that water supply did not meet these standards.

24 (b) Pollution or diminution of water supply.--A landowner or
25 water purveyor suffering pollution or diminution of a water
26 supply as a result of the drilling, alteration or operation of
27 an oil or gas well may notify the department and request that an
28 investigation be conducted. Within 10 days of the notification,
29 the department shall investigate the claim. If the department
30 finds that the pollution or diminution was caused by the

1 drilling, alteration or operation activities or if it presumes
2 the well operator responsible for pollution under subsection
3 (c), the department shall issue orders to the well operator as
4 are necessary to assure compliance with subsection (a). The
5 orders may include orders requiring the temporary replacement of
6 a water supply where it is determined that the pollution or
7 diminution may be of limited duration.

8 (c) Presumed responsibility.--Unless rebutted by one of the
9 five defenses established in subsection (d), it shall be
10 presumed that a well operator is responsible for the pollution
11 of a water supply that is within 1,000 feet of the oil or gas
12 well where the pollution occurred within six months after the
13 completion of drilling or alteration of the well.

14 (d) Defenses.--In order to rebut the presumption of
15 liability established in subsection (c), the well operator must
16 affirmatively prove one of the following five defenses:

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

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

23 (3) The water supply is not within 1,000 feet of the
24 well.

25 (4) The pollution occurred more than six months after
26 completion of drilling or alteration activities.

27 (5) The pollution occurred as the result of some cause
28 other than the drilling or alteration activity.

29 (e) Independent survey.--An operator electing to preserve
30 its defenses under subsection (d) (1) or (2) shall retain the

1 services of an independent certified laboratory to conduct the
2 predrilling or prealteration survey of water supplies. A copy of
3 the results of the survey shall be submitted to the department
4 and the landowner or water purveyor in a manner prescribed by
5 the department.

6 (f) Other remedies preserved.--Nothing in this section shall
7 prevent a landowner or water purveyor who claims pollution or
8 diminution of a water supply from seeking any other remedy at
9 law or in equity.

10 Section 309. Use of safety devices.

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

16 Section 310. Plugging requirements.

17 (a) General rule.--Upon abandoning a well, the owner or
18 operator of the well shall plug the well in a manner prescribed
19 by regulation of the department in order to stop a vertical flow
20 of fluids, other than artesian flow, or gas within the well
21 bore, unless the department has granted inactive status for the
22 well under section 304 or the well has been approved by the
23 department as an orphan well under section 303. Where the
24 department determines that a prior owner or operator received
25 economic benefit, other than economic benefit derived only as a
26 landowner or from a royalty interest subsequent to April 18,
27 1979, from an orphan well or from a well which has not been
28 registered, the owner or operator shall be responsible for the
29 plugging of the well. In the case of gas wells penetrating
30 workable coal seams which were drilled prior to January 30,

1 1956, or which were permitted after that date but not plugged in
2 accordance with this act, which the owner or operator of the
3 well or a coal operator or his agent proposes to plug for the
4 purpose of allowing the mining through of the well, the gas well
5 shall be cleaned out to a depth of at least 200 feet below the
6 coal seam in which the mining through is proposed and, unless
7 impracticable, to a point 200 feet below the deepest mineable
8 coal seam. The gas well shall be plugged from that depth in
9 accordance with the provisions of section 13 of the act of
10 December 18, 1984 (P.L.1069, No.214), known as the Coal and Gas
11 Resource Coordination Act, and the regulations of the
12 department.

13 (b) Areas underlain by coal.--Prior to the abandonment of a
14 well in an area underlain by a workable coal seam, the well
15 operator or owner shall notify the coal operator, lessee or
16 owner and the department of the well operator's or owner's
17 intention to plug and abandon the well and submit a plat, on a
18 form to be furnished by the department, showing the location of
19 the well and fixing the date and time at which the work of
20 plugging will be commenced, not less than three working days nor
21 more than 30 days after receipt of the notice, in order that
22 their representatives may be present at the plugging of the
23 well. The notice may be waived by the department and the coal
24 operator, lessee or owner, who may waive their right to be
25 present, but the waiver by a coal operator, lessee or owner
26 shall be in writing and a copy attached to the notice of
27 abandonment filed with the department under this section.
28 Whether or not the representatives appear, the well operator
29 may, if the operator has fully complied with the requirements of
30 this section, proceed at the time fixed to plug the well in the

1 manner as prescribed by regulation of the department. When
2 plugging has been completed, a certificate shall be prepared and
3 signed on a form to be furnished by the department by two
4 experienced and qualified people who participated in the work
5 and shall set forth the time and manner in which the well has
6 been plugged. One copy of the certificate shall be mailed to
7 each coal operator, lessee or owner to whom notice was given by
8 certified mail, and another copy shall be mailed to the
9 department.

10 (c) Abandoned wells.--Prior to the abandonment of a well,
11 except an uncompleted bore hole plugged immediately upon
12 suspension of drilling in an area not underlain by a workable
13 coal seam, the well operator shall notify the department of the
14 well operator's intention to plug and abandon the well and
15 submit a plat or the longitude or latitude of the well, on a
16 form to be furnished by the department, showing the location of
17 the well and fixing the date and time at which the work of
18 plugging will be commenced, not less than three working days nor
19 more than 30 days after the time when the notice is received, in
20 order that the department representative may be present at the
21 plugging of the well. The notice or waiting period may be
22 verbally waived by the department. In noncoal areas where more
23 than one well has been drilled as part of the same development
24 project and the wells are now to be plugged, three working days'
25 notice shall be provided to the department prior to plugging the
26 first well of the project, subject to waiver of notice described
27 in this section. In the plugging of subsequent wells, no
28 additional notice shall be required if the plugging on the
29 project is continuous. If the plugging of subsequent wells is
30 delayed for any reason, notice shall be given to the department

1 of the continuation of the project. Whether or not a department
2 representative appears, the well operator may, if the well
3 operator has fully complied with the requirements of this
4 section, proceed at the time fixed to plug the well in the
5 manner as prescribed by regulation of the department. When
6 plugging has been completed, a certificate shall be prepared and
7 signed on a form to be furnished by the department by two
8 experienced and qualified people who participated in the work,
9 and shall set forth the time and manner in which the well was
10 plugged. A copy of the certificate shall be mailed to the
11 department.

12 (d) Wells abandoned upon completion of drilling.--When a
13 well is to be abandoned immediately after completion of
14 drilling, the well operator shall give at least 24 hours' notice
15 by telephone, confirmed by certified mail, to the department and
16 to the coal operator, lessee or owner, if any, fixing the date
17 and time at which the work of plugging will be commenced. The
18 notice may be waived by the department and the coal operator,
19 lessee or owner, who may waive their right to be present.
20 Whether or not a representative of the department or of the coal
21 operator, lessee or owner, if any, appear, the well operator
22 may, if the well operator has fully complied with the
23 requirements of this section, proceed at the time fixed to plug
24 the well in the manner provided by regulation prescribed by the
25 department. The well operator shall prepare the certificate of
26 plugging and mail copies of the certificate of plugging as
27 provided in subsections (b) and (c).

28 (e) Orphan wells.--If a well is an orphan well or abandoned
29 without plugging or if a well is in operation but is not adopted
30 under section 303, the department shall have the right to enter

1 upon the well site and plug the well and to sell the equipment,
2 casing and pipe at the abandoned well or unregistered well site
3 as may have been used in the production of the well in order to
4 recover the costs of plugging. In the case of a well which is in
5 operation but has not been adopted, the department shall make an
6 effort to determine ownership of the well and provide written
7 notice to the owner of pending action which may be taken under
8 this subsection. If the department cannot determine ownership of
9 the well within 30 days, it may proceed under this subsection.
10 Costs of plugging shall have priority over all liens on
11 equipment, casing and pipe, and the sale shall be free and clear
12 of any liens to the extent the costs of plugging exceed the sale
13 price. If the equipment price obtained for casing and pipe
14 salvaged at the abandoned well or unregistered well site is
15 inadequate to pay for the cost of plugging the abandoned or
16 unregistered well, the owner or operator of the abandoned or
17 unregistered well shall be legally liable for the additional
18 costs of plugging the well. Notwithstanding provisions to the
19 contrary, and provided that a reasonable attempt failed to place
20 plugging materials at the producing formations, an orphan well
21 in a noncoal area may be plugged from the casing seat as the
22 attainable bottom of the well.

23 (f) Limitation of liability.--A person is not subject to
24 liability for environmental remediation related to an orphan
25 well and is not required to plug an orphan well solely because
26 the person obtains approval from the department to plug an
27 orphan well. A person undertaking the plugging of an orphan well
28 with approval from the department is eligible for all
29 protections and immunities provided under 27 Pa.C.S. § 8107
30 (relating to project liability limitation and exceptions). The

1 notice provisions under 27 Pa.C.S. § 8107 shall not apply to the
2 approval and protections provided under this section. Notice to
3 the department and the surface owner shall be provided on forms
4 developed by the department. When plugging has been completed, a
5 certificate shall be prepared and signed on a form to be
6 furnished by the department by two experienced and qualified
7 individuals who participated in the work and set forth the time
8 and manner in which the well was plugged. A copy of the
9 certificate shall be mailed to the department.

10 (g) Persons who voluntarily plug an orphan well.--Persons
11 who voluntarily plug an orphan well may either:

12 (1) apply to the Commonwealth Finance Authority for a
13 \$5,000 payment per well plugged payable from the Marcellus
14 Legacy Fund established under 58 Pa.C.S. § 2315 (relating to
15 Statewide initiatives); or

16 (2) be credited for each plugged well in the form of a
17 permit-fee waiver for any succeeding well permit application.

18 (h) Notification.--With respect to the coal operator, lessee
19 or owner, if any, notification shall be accomplished under this
20 section by sending notice to the persons to whom tax notices for
21 the workable coal seams are sent, as indicated in the assessment
22 books, if available, or as indicated in the records of the
23 recorder of deeds office in the county in which the seams are
24 located. If certified mail or notification is returned
25 undeliverable, the applicant shall include a completed affidavit
26 attesting to the attempted delivery, which shall satisfy the
27 notification requirements under this section.

28 Section 311. Alternative methods.

29 If provision is made in this act for adoption of regulatory
30 requirements for casing, plugging or equipping a well, a well

1 operator may request the authority to use an alternative method
2 or material by filing an application with the department
3 describing the proposed alternative method or material, in
4 reasonable detail, indicating the manner in which it will
5 accomplish the goals of this act and regulations adopted under
6 this act. Notice of filing of an application shall be given by
7 the well operator by certified mail to all coal operator or
8 operators affected. A coal operator may, within 15 days
9 following the notice, file objections to the proposed
10 alternative method or material. If no objections are filed
11 within the 15-day period and if none are raised by the
12 department, the department shall make a determination whether to
13 allow the use of the proposed alternative method or material.
14 Section 312. Well reporting requirements.

15 (a) General rule.--A well operator shall file, either
16 electronically or a hard copy, with the department, on a form
17 provided by the department, an annual report specifying the
18 amount of production on the most well-specific basis available.
19 Annual reports shall also specify the status of each well,
20 except that in subsequent years only changes in the status must
21 be reported. The Commonwealth shall have the right to utilize
22 the information in enforcement proceedings, in making
23 designations or determinations under section 1927-A of the act
24 of April 9, 1929 (P.L.177, No.175), known as The Administrative
25 Code of 1929, or in aggregate form for statistical purposes.

26 (b) Records.--

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

29 (2) A record of the well containing information as
30 required by regulation shall be filed with the department

1 within 30 days of cessation of drilling.

2 (3) A completion report containing additional
3 information as required by regulation shall be filed with the
4 department within 30 days after the completion of the well
5 and it shall be kept on file by the department.

6 (4) Within 90 days after the completion of drilling or
7 recompletion of a well, if requested by the department, the
8 well operator shall submit a copy of the electrical,
9 radioactive or other standard industry logs if they have been
10 run.

11 (5) If requested by the department within one year, the
12 well operator shall file a copy of drill stem test charts,
13 formation water analysis, porosity, permeability or fluid
14 saturation measurements, core analysis and lithologic log or
15 sample description or other similar data as compiled. No
16 information shall be required unless the well operator has
17 had the information compiled in the ordinary course of
18 business. No interpretation of the data is to be filed.

19 (c) Collection of data.--Upon notification by the department
20 prior to commencement of drilling, the well operator shall
21 collect for the department additional data as the department
22 shall specify, such as representative drill cuttings and samples
23 from cores taken and any other geological information that the
24 operator reasonably can compile. No interpretation of the data
25 is to be filed.

26 (d) Retention and filing.--All electrical, radioactive or
27 other standard industry logs, drill stem test charts, formation
28 water analyses, porosity, permeability or fluid saturation
29 measurements, core analysis and lithologic logs or sample
30 description or other similar data as compiled, required under

1 subsection (b) or drill cuttings required under subsection (c),
2 shall be retained by the well operator and shall be filed with
3 the department within three years after completion of the well.
4 Upon request of the well operator, the department shall extend
5 the date for the filing of the data, but the extension shall not
6 exceed five years from the date of completion of the well,
7 provided that the department shall have the right to utilize the
8 information in enforcement proceedings, in making designations
9 or determinations under section 1927-A of The Administrative
10 Code of 1929, or in aggregate form for statistical purposes.

11 Section 313. Notification and effect of well transfer.

12 The owner or operator of a well shall notify the department,
13 in writing, in a form as the department may direct by
14 regulation, of the sale, assignment, transfer, conveyance or
15 exchange by the owner or to the owner of the well within 30 days
16 after the sale, assignment, conveyance or exchange. No transfer
17 shall relieve the well owner or operator of an obligation
18 accrued under this act, nor shall it relieve the well owner or
19 operator of the obligation to plug the well until the
20 requirements of section 315 have been met, after which time the
21 transferring owner or operator shall be relieved from any
22 obligation under this act, including the obligation to plug the
23 well.

24 Section 314. Coal operator responsibilities.

25 (a) General rule.--

26 (1) At any time prior to removing coal or other
27 underground material or extending the workings in a coal mine
28 within 500 feet of an oil or gas well of which the coal
29 operator has knowledge or an approved well location of which
30 the coal operator has knowledge, the coal operator shall

1 forward, by certified mail, to or file with the well operator
2 and the department a copy of the relevant part of the coal
3 operator's maps and plans which it is presently required by
4 law to prepare and file with the department, showing the
5 pillar which the coal operator proposes to leave in place
6 around each oil or gas well in the projected workings.

7 (2) Following the filing of maps and plans, the coal
8 operator may proceed with mining operations in the manner
9 projected on the maps and plans, but the coal operator shall
10 not remove any coal or cut any passageway within 150 feet of
11 a well or approved well location until written approval has
12 been granted as provided in this section.

13 (3) If, in the opinion of the well operator or the
14 department, the plan indicates that the pillar proposed to be
15 left around a well or approved well location is inadequate to
16 protect either the integrity of the well or the public health
17 and safety, the well operator affected shall attempt to agree
18 with the coal operator upon a suitable pillar, subject to the
19 approval of the department, but, failing to agree, the well
20 operator may, within 10 days from receipt of the plan, file
21 objections in accordance with section 701 to the proposed
22 plan indicating the size of the pillar to be left with
23 respect to each well.

24 (4) If no objections are filed within the 10-day period
25 or if none are raised by the department, the department shall
26 grant approval to the coal operator reciting the following:

27 (i) The filing of the maps or plans.

28 (ii) That no objections have been made to the plan.

29 (iii) That the pillar proposed to be left for each

30 well is approved in the manner as projected.

1 (b) Objections.--

2 (1) If objections are filed by a well operator or are
3 raised by the department, the department shall direct that a
4 conference be held in accordance with section 701 within 10
5 days of the filing of the objections.

6 (2) At the conference the coal operator and the person
7 who has filed the objections shall attempt to agree upon a
8 proposed plan showing the pillar to be left around each well,
9 which will satisfy the objections and be approved by the
10 department, and if the plan is agreed upon, the department
11 shall grant approval to the coal operator reciting the filing
12 of the plan and that the pillar to be left for each well is
13 approved as agreed upon.

14 (3) If no plan showing the pillar to be left with
15 respect to each well can be agreed upon at the conference,
16 the department shall, by an appropriate order, determine the
17 pillar to be left with respect to the well.

18 (4) In a proceeding under this section, the department
19 shall follow as nearly as possible the original plan filed by
20 the coal operator. The department shall not require the coal
21 operator to leave a pillar in excess of 100 feet in radius,
22 except that, if it is established that unusual conditions
23 exist requiring the leaving of a larger pillar, the
24 department may require a pillar up to but not exceeding 150
25 feet in radius.

26 (5) The pillar to be left with respect to each well as
27 determined by the department shall be shown on the maps or
28 plans on file with the department as provided in subsection
29 (a) and the department shall approve the pillar to be left
30 for each well.

1 (c) Pillars of reduced size.--Application may be made at any
2 time to the department by a coal operator to leave a pillar of
3 less size than that shown on the plan filed by the operator or
4 approved or determined by the department under the provisions of
5 this section. If an application is filed, the department may,
6 following the procedure prescribed in this section, by an
7 appropriate order, determine a different plan showing a pillar
8 of less size with respect to all wells covered by the
9 application and shall grant approval for the pillar to be left
10 with respect to each well.

11 (d) Violation.--No coal operator shall, without the written
12 approval of the department after notice and opportunity for
13 hearing as prescribed in this section, remove any coal or cut
14 any passageway so as to leave a pillar of less size with respect
15 to an oil or gas well than that approved by the department under
16 this act.

17 (e) Construction.--Nothing in this act shall be construed to
18 require a well operator to pay for a coal pillar required by law
19 to be left around a well drilled prior to April 18, 1985. A
20 requirement for a coal operator to leave a pillar of coal of a
21 certain size around a well drilled after April 18, 1985, shall
22 not in any way affect the rights which the coal operator would
23 have had prior to April 18, 1985, to obtain payment for the
24 coal, nor any duty or right which the well operator, storage
25 operator or land owner may have had prior to April 18, 1985, to
26 pay for or not to pay for the coal.

27 (f) Mining through plugged wells.--A coal operator who
28 intends to mine through a plugged oil or gas well must file a
29 plan to completely remove a pillar from around the well in
30 accordance with subsection (a). This plan shall be subject to

1 the requirements of this section. No coal operator may mine
2 through a plugged oil or gas well of which the coal operator has
3 knowledge until written approval has been granted by the
4 department in accordance with this section.

5 (g) Establishment of conditions.--The Bureau of Deep Mine
6 Safety in the department shall have the authority to establish
7 the conditions under which the department may approve a coal
8 operator's plan to mine through a plugged oil or gas well.

9 Section 315. Bonding.

10 (a) General rule.--

11 (1) Upon filing an application for a well permit and
12 before continuing to operate an oil or gas well, the owner or
13 operator of an oil or gas well shall file with the department
14 a bond for the well and the well site on a form to be
15 prescribed and furnished by the department. A bond filed with
16 an application for a well permit shall be payable to the
17 Commonwealth and conditioned that the operator shall
18 faithfully perform all of the drilling, water supply
19 replacement, restoration and plugging requirements of this
20 act. No bond or bond substitute shall be required for any
21 well drilled prior to April 18, 1985, where the well would
22 have otherwise been subject to the bonding requirements of
23 section 215 or 603.1 of the former act of December 19, 1984
24 (P.L.1140, No.223), known as the Oil and Gas Act. The amount
25 of the bond required shall be in the amount of \$2,500 per
26 well for at least two years following the effective date of
27 this act, after which time the bond amount may be adjusted by
28 the Environmental Quality Board every five years to reflect
29 the projected costs to the Commonwealth of performing well
30 plugging.

1 (2) In lieu of individual bonds for each well, an owner
2 or operator may file a blanket bond, on a form prepared by
3 the department, covering all of its wells in this
4 Commonwealth as enumerated on the bond form. A blanket bond
5 shall be in the amount of \$25,000 for at least five years
6 following the effective date of this act, after which time
7 the bond amount may be adjusted by the Environmental Quality
8 Board every two years to reflect the projected costs to the
9 Commonwealth of performing well plugging. An adjustment may
10 not exceed the prior amount by more than \$10,000.

11 (3) Liability under the bond shall continue until the
12 well has been properly plugged in accordance with this act
13 and for a period of one year after filing of the certificate
14 of plugging with the department. Each bond shall be executed
15 by the operator and a corporate surety licensed to do
16 business in this Commonwealth and approved by the secretary.
17 The operator may elect to deposit cash, certificates of
18 deposit or automatically renewable irrevocable letters of
19 credit from financial institutions chartered or authorized to
20 do business in Pennsylvania and regulated and examined by a
21 Federal agency or the Commonwealth, which may be terminated
22 at the end of a term only upon the financial institution
23 giving 90 days' prior written notice to the permittee and the
24 department or negotiable bonds of the United States
25 Government or the Commonwealth, the Pennsylvania Turnpike
26 Commission, the State Public School Building Authority or any
27 municipality within the Commonwealth, or United States
28 Treasury Bonds issued at a discount without a regular
29 schedule of interest payments to maturity, otherwise known as
30 zero coupon bonds, having a maturity date of not more than 10

1 years after the date of purchase and at the maturity date
2 having a value of not less than \$25,000, with the department
3 in lieu of a corporate surety. The cash deposit, certificate
4 of deposit, amount of the irrevocable letter of credit or
5 market value of the securities shall be equal at least to the
6 sum of the bond. The secretary shall, upon receipt of
7 deposits of cash, letters of credit or negotiable bonds,
8 immediately place the cash, letters of credit or negotiable
9 bonds with the State Treasurer, whose duty it shall be to
10 receive and hold the cash, letters of credit or negotiable
11 bonds in the name of the Commonwealth, in trust, for the
12 purpose for which the deposit is made. The State Treasurer
13 shall at all times be responsible for the custody and
14 safekeeping of deposits. The operator making deposit shall be
15 entitled from time to time to demand and receive from the
16 State Treasurer, on the written order of the secretary, the
17 whole or any portion of collateral deposited upon depositing
18 with the State Treasurer, in lieu of the collateral
19 deposited, other collateral of the classes specified in this
20 act having a market value at least equal to the sum of the
21 bond and also to demand, receive and recover the interest and
22 income from the negotiable bonds as the bonds become due and
23 payable. Where negotiable bonds mature or are called, the
24 State Treasurer, at the request of the owner of the bonds,
25 shall convert the negotiable bonds into other negotiable
26 bonds of the classes specified in this act as may be
27 designated by the owner. Where notice of intent to terminate
28 a letter of credit is given, the department shall give the
29 operator 30 days' written notice to replace the letter of
30 credit with other acceptable bond guarantees as provided in

1 this act, and if the owner or operator fails to replace the
2 letter of credit within the 30-day notification period, the
3 department shall draw upon and convert the letter of credit
4 into cash and hold it as a collateral bond guarantee.

5 (b) Release.--No bond shall be fully released until all
6 requirements of this act identified in subsection (a) or section
7 313 are fully met. Upon release of all of the bonds and
8 collateral as provided in this section, the State Treasurer
9 shall immediately return to the owner the amount of cash or
10 securities specified in the bond.

11 (c) Noncompliance.--

12 (1) If a well owner or operator fails or refuses to
13 comply with the applicable requirements of subsection (a),
14 the regulations promulgated under this act or the conditions
15 of the permit relating to this act, the department may
16 declare the bond forfeited and shall certify the same to the
17 Attorney General, who shall proceed to enforce and collect
18 the full amount of the bond and, where the owner or operator
19 has deposited cash or securities as collateral in lieu of a
20 corporate surety, the department shall declare the collateral
21 forfeited and shall direct the State Treasurer to pay the
22 full amount of the funds into the Well Plugging Restricted
23 Revenue Account or to proceed to sell the security to the
24 extent forfeited and pay the proceeds of the sale into the
25 Well Plugging Restricted Revenue Account.

26 (2) A corporate surety or financial institution that
27 fails to promptly pay in full a forfeited bond shall be
28 disqualified from writing further bonds under this act or
29 other environmental act administered by the department.

30 (3) A person aggrieved by reason of forfeiting the bond

1 or converting collateral under this section shall have a
2 right to appeal to the Environmental Hearing Board in the
3 manner provided by law.

4 (4) Upon forfeiture of a blanket bond for a violation
5 occurring at one or more well sites, the person whose bond is
6 forfeited shall submit a replacement bond to cover all other
7 wells the person owns or operates within 10 days of the
8 forfeiture. Failure to submit the replacement bond
9 constitutes a violation of this section as to each of the
10 wells owned or operated by the person.

11 (d) Individuals.--

12 (1) An individual who cannot obtain a bond to drill new
13 wells due to an inability to demonstrate financial resources
14 may meet the collateral bond requirements of subsection (a)
15 by making phased deposits of collateral to fully
16 collateralize the bond. Individuals shall be limited to
17 drilling 10 new wells per calendar year. The individual
18 shall, for each well to be drilled, deposit \$500 and shall,
19 thereafter, annually deposit 10% of the remaining bond amount
20 for a period of 10 years. Interest accumulated by the
21 collateral shall become a part of the bond until the time
22 when the collateral, plus accumulated interest, equals the
23 amount of the required bond. The collateral shall be
24 deposited, in trust, with the State Treasurer as provided in
25 subsection (a) or with a bank selected by the department
26 which shall act as trustee for the benefit of the
27 Commonwealth, to guarantee the individual's compliance with
28 the drilling, water supply replacement, restoration and
29 plugging requirements of this act. The individual shall be
30 required to pay all costs of the trust.

1 storage).

2 CHAPTER 7

3 ENFORCEMENT AND REMEDIES

4 Section 701. Conferences.

5 (a) General rule.--The department or a person having a
6 direct interest in a matter subject to this act may, at any
7 time, request that a conference be held for the purpose of
8 discussing and endeavoring to resolve by mutual agreement a
9 matter arising under this act. Unless otherwise provided,
10 conferences shall be held within 90 days after a request for a
11 conference is received by the department, and notice of the
12 conference shall be given by the department to all interested
13 parties. A representative of the department shall attend the
14 conference and the department may make recommendations. An
15 agreement reached at a conference shall be consistent with this
16 act and, if approved by the department, it shall be reduced to
17 writing and shall be effective, unless reviewed and rejected by
18 the department, within 10 days after the close of the
19 conference. The record of an agreement approved by the
20 department shall be kept on file by the department with copies
21 furnished to the parties. Scheduling of a conference shall not
22 affect the authority of the department to issue an appropriate
23 order to compel compliance with this act.

24 (b) Notification.--If a coal operator is to be given notice
25 by the department of a proceeding to be held under this section,
26 the department shall also send simultaneously a copy of the
27 notice to the collective bargaining representative of the
28 employees of the coal operator.

29 Section 702. Public nuisances.

30 A violation of section 306, 307, 308, 309 or 310 or of a

1 rule, regulation, order, term or condition of a permit relating
2 to those sections constitutes a public nuisance.

3 Section 703. Enforcement orders.

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

11 (b) Suspension and revocation.--

12 (1) The department may suspend or revoke a well permit
13 or well registration for a well in continuing violation of
14 the following:

15 (i) This act.

16 (ii) The act of June 22, 1937 (P.L.1987, No.394),
17 known as The Clean Streams Law.

18 (iii) The act of July 7, 1980 (P.L.380, No.97),
19 known as the Solid Waste Management Act.

20 (iv) Any other statute administered by the
21 department.

22 (2) The right of the department to revoke a permit or
23 registration under this subsection shall not be effective
24 until a final administrative determination has been made of
25 the violation and no appeal is pending in which a stay has
26 been granted.

27 (3) A suspension order of the department shall
28 automatically terminate if the violation upon which it is
29 based is corrected by the operator in order to bring the well
30 into compliance with this act.

1 (c) Written notice.--Prior to the suspension or revocation
2 of a well permit or registration, the department shall serve
3 written notice upon the well operator or its agent of the
4 intention of the department to suspend or revoke and shall state
5 with specificity the statutory provisions, appropriate rule or
6 regulation or other reason and the factual circumstances which
7 surround the violation upon which the suspension or revocation
8 is based. The well operator shall have 15 days to request a
9 conference with the department to give cause why the action
10 should not be taken. Upon receipt of the written notice, the
11 department shall hold a conference and shall, within 15 days
12 after the conference, make a decision on whether to suspend or
13 revoke the well permit or registration. The department shall
14 provide written notice of its decision to the well operator or
15 its agent, which shall become effective upon receipt of the
16 notice.

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

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

24 Section 704. Restraining violations.

25 (a) General rule.--In addition to other remedies provided in
26 this act, the department may institute a suit in equity in the
27 name of the Commonwealth for an injunction to restrain a
28 violation of this act or the rules, regulations, standards or
29 orders adopted or issued under this act and to restrain the
30 maintenance or threat of a public nuisance. Upon motion of the

1 Commonwealth, the court shall issue a prohibitory or mandatory
2 preliminary injunction if it finds that the defendant is
3 engaging in unlawful conduct, as defined by this act, or in
4 conduct causing immediate and irreparable harm to the public.
5 The Commonwealth shall not be required to furnish bond or other
6 security in connection with the proceedings. In addition to an
7 injunction, the court, in equity, may level civil penalties as
8 specified in section 706.

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

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

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

24 Section 705. Criminal penalties.

25 (a) General violation.--A person who violates a provision of
26 this act commits a summary offense and, upon conviction, shall
27 be sentenced to pay a fine of not more than \$300 or to
28 imprisonment of not more than 90 days, or both. Each day during
29 which the violation continues is a separate and distinct
30 offense.

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

8 (c) Authority.--The department may institute a prosecution
9 against a person or municipality for a violation of this act.
10 Section 706. Civil penalties.

11 In addition to other remedies available at law or in equity
12 for a violation of this act, a rule or regulation of the
13 department or an order of the department, the Environmental
14 Hearing Board, after a hearing, may assess a civil penalty
15 regardless of whether or not the violation was willful, but
16 penalties need not be assessed for accidental violations or
17 those that resulted in no damage or risk of adverse effect on
18 natural resources or the property of others. The civil penalty
19 shall not exceed \$25,000, plus \$1,000 for each day during which
20 the violation continues. In determining the amount, the
21 Environmental Hearing Board shall consider the willfulness of
22 the violation, damage or injury to the natural resources of this
23 Commonwealth or their uses, endangerment of the safety of
24 others, costs of remedying the harm, savings resulting to the
25 violator as a result of the violation and other relevant
26 factors. The Environmental Hearing Board shall mitigate the
27 penalty amount for any person who voluntarily plugged an orphan
28 well in accordance with this act. The penalty shall be payable
29 to the Orphan Well Plugging Fund and shall be collectible in the
30 manner provided at law for the collection of debts. If a person

1 liable to pay a penalty neglects or refuses to pay the same
2 after demand, the amount, together with interest and costs that
3 may accrue, shall become a lien in favor of the Commonwealth on
4 the real and personal property of the violator, but only after
5 the lien has been entered and docketed of record by the
6 prothonotary of the county where the property is situated. The
7 Environmental Hearing Board may transmit to the prothonotaries
8 of the respective counties certified copies of the liens, and it
9 shall be the duty of each prothonotary to enter and docket the
10 liens of record in the prothonotary's office and index them as
11 judgments are indexed, without requiring payment of costs as a
12 condition precedent to entry. Notwithstanding any other
13 provision of law to the contrary, actions for civil penalties
14 under this act may be commenced at any time within a period of
15 five years from the date the offense is discovered.

16 Section 707. Existing rights and remedies preserved and
17 cumulative remedies authorized.

18 Nothing in this act shall prevent the Commonwealth or a
19 district attorney from proceeding in a court of law or in equity
20 to abate pollution forbidden under this act or abate a nuisance
21 under existing law. It is declared to be the purpose of this act
22 to provide additional and cumulative remedies to control
23 activities related to drilling for or production of oil and gas
24 within this Commonwealth, and nothing in this act abridges or
25 alters rights of action or remedies existing in equity or under
26 the common law or statutory law, criminal or civil. Neither this
27 act, the granting of a permit under this act nor an act done by
28 virtue of this act stops the Commonwealth in exercising rights
29 under the common law or decisional law or in equity, from
30 suppressing a nuisance, abating pollution or enforcing common

1 law or statutory rights. No court of this Commonwealth with
2 jurisdiction to abate public or private nuisances shall be
3 deprived of jurisdiction in an action to abate a private or
4 public nuisance instituted by a person on grounds that the
5 nuisance constitutes air or water pollution.

6 Section 708. Production of materials, witnesses, depositions
7 and rights of entry.

8 (a) General rule.--The department may make inspections,
9 conduct tests or sampling or examine books, papers and records
10 pertinent to a matter under investigation under this act it
11 deems necessary to determine compliance with this act, and duly
12 authorized agents and employees of the department are authorized
13 at all reasonable times to enter and examine a property,
14 facility, operation or activity.

15 (b) Entry and access.--An owner, operator or other person in
16 charge of a property, facility, operation or activity, upon
17 presentation of proper identification and purpose for inspection
18 by the agents or employees of the department, shall give the
19 agents and employees free and unrestricted entry and access and,
20 upon refusal to grant entry or access, the agent or employee may
21 obtain a search warrant or other order authorizing entry and
22 inspection. It is sufficient probable cause to issue a search
23 warrant authorizing an examination and inspection if there is
24 probable cause to believe that the object of the investigation
25 is subject to regulation under this act and that access,
26 examination or inspection is necessary to enforce the provisions
27 of this act.

28 (c) Department powers.--The department shall have the power
29 in any part of this Commonwealth to subpoena witnesses,
30 administer oaths, examine witnesses, take testimony or compel

1 the production of books, records, maps, plats, papers, documents
2 and other writings as it may deem necessary or proper and
3 pertinent to proceedings or investigation held by the
4 department. In case of refusal to obey a subpoena served upon a
5 person, the court shall, on application of the department, have
6 power to enforce the subpoena in contempt proceedings. The fees
7 for serving a subpoena shall be the same as those paid to
8 sheriffs for similar services.

9 (d) Witnesses.--The department or a party to proceedings
10 before the department may depose witnesses residing within or
11 outside this Commonwealth in the manner prescribed by law for
12 taking depositions in civil actions.

13 (e) Witness fees.--Witnesses summoned before the department
14 shall be paid the same fees as those paid to witnesses in the
15 courts of record of general jurisdiction. Witnesses whose
16 depositions are taken under this act and the officers taking the
17 depositions shall be entitled to the same fees as those paid for
18 similar services in the courts.

19 (f) Ownership information.--A purchaser of oil or gas shall,
20 upon request, provide to the department information necessary
21 for the department to determine ownership of facilities from
22 which the oil or gas was obtained. The purchaser shall provide
23 notice to the owner of the facilities identified to the
24 department. The information shall be kept confidential for a
25 period of five years. The department shall have the right to
26 utilize the information in enforcement proceedings. The
27 department may only request information under this section when
28 a well does not meet the requirements of section 301(h).

29 Section 709. Unlawful conduct.

30 It shall be unlawful for a person to:

1 (1) Drill, alter, operate or utilize an oil or gas well
2 without a permit or registration from the department as
3 required by this act or in violation of the rules or
4 regulations adopted under this act, orders of the department
5 or in violation of a permit issued by the department.

6 (2) Conduct activities related to drilling for or
7 production of oil and gas:

8 (i) contrary to this act, rules or regulations
9 adopted under this act, an order of the department or a
10 term or condition of a permit; or

11 (ii) in a manner that creates a public nuisance or
12 adversely affects public health, safety, welfare or the
13 environment.

14 (3) Refuse, obstruct, delay or threaten an agent or
15 employee of the department in the course of lawful
16 performance of any duty under this act, including, but not
17 limited to, entry and inspection.

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

21 (5) Cause the abandonment of a well by removing casing
22 or equipment necessary for production without plugging the
23 well in a manner prescribed under section 310. The owner or
24 operator of a well may temporarily remove casing or equipment
25 necessary for production if it is part of the normal course
26 of production activities.

27 Section 710. Collection of fines and penalties.

28 Fines and penalties shall be collectible in the manner
29 provided by law for the collection of debts. If a person liable
30 to pay a penalty neglects or refuses to pay after demand, the

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

12 Section 711. Third party liability.

13 If a person other than the well operator renders a service or
14 product to a well or well site, that person is liable with the
15 well owner or operator for violations of this act arising out of
16 and caused by the person's actions at the well or well site, in
17 accordance with State law.

18 Section 712. Inspection reports.

19 (a) Posting required.--The department shall post inspection
20 reports on its publicly accessible Internet website. The
21 inspection reports shall include:

22 (1) The nature and description of violations.

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

25 (3) The status of the violation.

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

28 (b) Removal.--The department shall remove a notice of
29 violation issued in error from the public record as soon as
30 practical after the department learns of the error.

1 (c) Training required.--The department shall provide
2 adequate training to its inspectors.

3 (d) Minor violations.--The department will adopt a practice
4 and procedure to alleviate the unwarranted use of notices of
5 violation for minor violations that pose no material harm to the
6 public health or environment, including the development of
7 separate forms for inspections where warnings rather than
8 notices of violation will be issued and where compliance can be
9 accomplished within 48 hours. Warnings under this subsection,
10 and the alleged violations upon which they are based, may not be
11 the basis for a civil penalty when compliance is achieved within
12 48 hours.

13 CHAPTER 9

14 RELATED FUNDS, PARTIES AND ACTIVITIES

15 Section 901. Well plugging funds.

16 (a) Appropriation.--Fines and civil penalties collected
17 under this act shall be deposited in the Orphan Well Plugging
18 Fund. Other than permit fee surcharges under this section,
19 permit fees collected under this act are hereby appropriated to
20 the department to carry out the provisions of this act.

21 (b) Abandoned Well Plugging Fund.--To aid in indemnifying
22 the Commonwealth for the cost of plugging abandoned wells, a \$50
23 surcharge is added to the permit fee established by the
24 department under section 301 for new wells. Money collected as a
25 result of a surcharge shall be paid into the Abandoned Well
26 Plugging Fund and shall be expended by the department to plug
27 abandoned wells which threaten the health and safety of persons
28 or property or pollute the waters of this Commonwealth.

29 (c) Orphan Well Plugging Fund.--

30 (1) A \$100 surcharge for wells to be drilled for oil

1 production and a \$200 surcharge for wells to be drilled for
2 gas production are added to the permit fee established by the
3 department under section 301 for new wells. Surcharges shall
4 be deposited into the Orphan Well Plugging Fund and shall be
5 expended by the department to plug orphan wells. If an
6 operator rehabilitates a well abandoned by another operator
7 or an orphan well, the permit fee and the surcharge for the
8 well shall be waived.

9 (2) Expenditures by the department for plugging orphan
10 wells shall be limited to fees collected under this act and
11 58 Pa.C.S. Ch. 32 (relating to development).

12 Section 902. Local ordinances.

13 Except with respect to ordinances adopted under the act of
14 July 31, 1968 (P.L.805, No.247), known as the Pennsylvania
15 Municipalities Planning Code, and the act of October 4, 1978
16 (P.L.851, No.166), known as the Flood Plain Management Act, all
17 local ordinances and enactments purporting to regulate oil and
18 gas well operations regulated by this act are superseded. No
19 ordinances or enactments adopted under the Pennsylvania
20 Municipalities Planning Code or the Flood Plain Management Act
21 shall impose conditions, requirements or limitations on the same
22 features of oil and gas well operations regulated by this act or
23 that accomplish the same purposes as set forth in this act. The
24 Commonwealth, by this enactment, preempts and supersedes the
25 regulation of oil and gas wells.

26 Section 903. Effect on department authority.

27 This act does not affect, limit or impair the right or
28 authority of the department under the act of June 22, 1937
29 (P.L.1987, No.394), known as The Clean Streams Law, the act of
30 January 8, 1960 (1959 P.L.2119, No.787), known as the Air

1 Pollution Control Act, the act of November 26, 1978 (P.L.1375,
2 No.325), known as the Dam Safety and Encroachments Act, and the
3 act of July 7, 1980 (P.L.380, No.97), known as the Solid Waste
4 Management Act.

5 Section 904. Relationship to solid waste, surface mining,
6 underground injection wells, wastewater treatment and
7 recycling by centralized waste treatment facilities
8 and storage tanks.

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

20 (1) the well is permitted under the requirements of
21 section 301 or was registered under the former act of
22 December 19, 1984 (P.L.1140, No.223), known as the Oil and
23 Gas Act;

24 (2) the owner or operator satisfies the financial
25 security requirements of section 315 by obtaining a surety or
26 collateral bond for the well and well site; and

27 (3) the owner or operator maintains compliance with this
28 act and applicable regulations of the Environmental Quality
29 Board.

30 (b) Noncoal surface mining.--Obligations under the act of

1 December 19, 1984 (P.L.1093, No.219), known as the Noncoal
2 Surface Mining Conservation and Reclamation Act, or rule or
3 regulation promulgated under the Noncoal Surface Mining
4 Conservation and Reclamation Act, for a borrow area where
5 minerals are extracted solely for the purpose of oil and gas
6 well development, including access road construction, shall be
7 satisfied if the owner or operator of the well meets the
8 conditions imposed under subsection (a) (1) and (2) and the owner
9 or operator maintains compliance with this act and applicable
10 regulations of the Environmental Quality Board.

11 (c) Solid Waste Management Act.--Except as otherwise
12 provided in this section, nothing in this section shall diminish
13 duties or obligations that an owner or operator may have under
14 the Solid Waste Management Act. This section shall not apply to
15 waste classified as hazardous waste under the Solid Waste
16 Management Act or the Resource Conservation and Recovery Act of
17 1976 (Public Law 94-580, 42 U.S.C. § 6901 et seq.).

18 (d) Road spreading of brine for dust control, road
19 stabilization, anti-icing and de-icing.--Consistent with the
20 provisions of the Solid Waste Management Act which require the
21 department to encourage the beneficial use or reuse of residual
22 waste derived from commercial and industrial purposes where the
23 use does not harm or threaten public health, safety, welfare or
24 the environment, the department shall approve the use of brine
25 for dust control, road stabilization, anti-icing and de-icing
26 upon application using forms developed by the department and in
27 accordance with conditions reasonably necessary for the
28 protection of the environment and prevention of pollution. With
29 respect to any aspect of water quality, applicants may rely on
30 regional characterization of the brine. The department may not

1 impose conditions requiring brine to exceed the physical
2 character or chemical composition of a commercial product for
3 which the brine is an effective substitute. Persons engaged in
4 the beneficial uses of brine shall maintain records and make
5 reports as the department requires.

6 (e) Secondary products from produced water.--Notwithstanding
7 any provision of law to the contrary and to promote beneficial
8 uses and legitimate recycling, material derived from produced
9 water from conventional formations, including, but not limited
10 to, salt, is not waste if:

11 (1) the material is of a physical character and chemical
12 composition that is consistently equivalent to an
13 intentionally manufactured product or raw material; and

14 (2) the use of the material presents no greater threat
15 of harm to human health and the environment than the use of
16 the product or raw material.

17 (f) Regional characterization of produced water.--Generators
18 of produced water from conventional formations may satisfy an
19 obligation to provide a chemical analysis of the waste through
20 certification that the physical properties and chemical
21 composition of the produced water are fairly represented by a
22 regional analysis of produced water submitted to the department
23 and the solid waste management or treatment facility that
24 receives the waste.

25 (g) Class II injection wells.--Notwithstanding any provision
26 of law to the contrary, Class II well permits issued by the
27 Environmental Protection Agency pursuant to the Safe Drinking
28 Water Act (Public Law 93-523, 21 U.S.C. § 349 and 42 U.S.C. §§
29 201 and 300f et seq.) shall be deemed to satisfy the
30 department's obligation to consider potential pollution

1 resulting from underground injection or disposal to the wells.
2 Unless or until the Commonwealth takes primacy of the Class II
3 Underground Injection Control (UIC) program, the department's
4 review and approval, if any, of injection wells shall be limited
5 to a review of surface activities related to construction,
6 modification, operation or closure of the well.

7 (h) Wastewater treatment and recycling requirements.--A
8 centralized waste treatment facility that was authorized by the
9 department prior to August 20, 2010, to treat, for disposal,
10 recycling or recovery of material, wastewater generated from
11 exploration, production or gathering activities associated with
12 conventional oil and gas well operations or any new centralized
13 waste treatment facility that treats, for disposal, recycling or
14 recovery of material, wastewater generated from exploration,
15 production or gathering activities associated with conventional
16 oil and gas well operations shall not be subject to the
17 requirements of 25 Pa. Code § 95.10 (relating to treatment
18 requirements for new and expanding mass loadings of Total
19 Dissolved Solids (TDS)). As used in this subsection, the term
20 "centralized waste treatment facility" shall have the meaning
21 given to the term "centralized waste treatment (CWT) facility"
22 in 40 CFR 437.2(c) (relating to general definitions).

23 (i) Storage tanks.--Permanent aboveground or underground
24 tanks that are used to store brines, crude oil, drilling or frac
25 fluids and similar substances or materials and are directly
26 related to the exploration, development or production of crude
27 oil or natural gas regulated under this act, as well as liquid
28 traps and associated gathering lines directly related to oil or
29 gas production and gathering operations, are exempt from the
30 obligations under the act of July 6, 1989 (P.L.169, No.32),

1 known as the Storage Tank and Spill Prevention Act, and any rule
2 or regulation promulgated under the Storage Tank and Spill
3 Prevention Act.

4 CHAPTER 11

5 MISCELLANEOUS PROVISIONS

6 Section 1101. Regulatory authority.

7 (a) General rule.--The Environmental Quality Board shall
8 promulgate regulations to implement the provisions of this act.
9 The board shall consult with the council in the formulation and
10 development of all regulations and policies effecting
11 conventional oil and gas operations to ensure consistency with
12 the duties of the council and purposes of the act of June 23,
13 2016 (P.L.375, No.52), known as the Pennsylvania Grade Crude
14 Development Act. Policies adopted by the department after April
15 16, 2012, shall expire within three years of the effective date
16 of this act with respect to conventional operations unless
17 revised and reissued in accordance with this section.

18 (b) Limited applicability.--Immediately upon the effective
19 date of this subsection, the provisions of 58 Pa.C.S. § 3226
20 (relating to Oil and Gas Technical Advisory Board) are limited
21 in applicability to unconventional oil and gas operations. The
22 department may consult with the Oil and Gas Technical Advisory
23 Board in the formulation, drafting or presentation stages of
24 regulations applicable to conventional oil and gas operations.

25 Section 1102. Construction.

26 (a) Unconventional wells.--Nothing in this act shall be
27 construed to apply to unconventional wells.

28 (b) Coal and Gas Resource Coordination Act.--

29 (1) The requirements under section 5 of the act of
30 December 18, 1984 (P.L.1069, No.214), known as the Coal and

1 Gas Resource Coordination Act, for the issuance of a permit
2 under the former act of December 19, 1984 (P.L.1140, No.223),
3 known as the Oil and Gas Act, shall apply to this act.

4 (2) Nothing in this act shall be construed to change,
5 repeal or otherwise affect the provisions of the Coal and Gas
6 Resource Coordination Act.

7 Section 1103. Land recycling and remediation.

8 (a) General rule.--The cleanup and remediation of spills and
9 releases from oil and natural gas operations shall not be
10 required to comply with the notice and review provisions of the
11 act of May 19, 1995 (P.L.4, No.2), known as the Land Recycling
12 and Environmental Remediation Standards Act. The provisions of
13 this section shall not be construed to affect, limit or impair
14 other obligations or rights of operators or other responsible
15 parties established under the Land Recycling and Environmental
16 Remediation Standards Act whenever site remediation is
17 voluntarily conducted or required.

18 (b) Reporting.--The following apply to spills onto the
19 ground at a well site:

20 (1) The following spills must be reported within two
21 hours of discovery:

22 (i) more than 5 barrels of oil within a 24-hour
23 period; or

24 (ii) more than 15 barrels of brine within a 24-hour
25 period if the total dissolved solids concentration of the
26 brine is equal to or greater than 10,000 mg/kg.

27 (2) Spills of less than 5 barrels of oil or less than 15
28 barrels of brine need not be reported unless there is an
29 immediate threat to public health, safety or the environment.

30 (c) Water pollution.--A spill from oil and natural gas

1 operations polluting or threatening to pollute waters of this
2 Commonwealth must be reported immediately upon discovery.

3 (d) Standard for crude oil in soil.--Notwithstanding the
4 provisions of 25 Pa. Code Ch. 250 (relating to administration of
5 Land Recycling Program), the attainment standard for crude oil
6 in soil shall be 10,000 mg/kg of total petroleum hydrocarbons.
7 For sites remediated under the attainment standard under this
8 subsection, the person conducting the remediation shall submit a
9 report to the department documenting attainment of the standard.
10 The remediation standard is not applicable to spills or releases
11 involving materials other than crude oil.

12 (e) Conventional oil and gas operations.--Regardless of
13 whether a person conducts remediation in accordance with the
14 Land Recycling and Environmental Remediation Standards Act,
15 remediation of a spill related to conventional oil and gas
16 operations may be conducted according to established field
17 practices, including bioremediation, to attain the chosen
18 cleanup standards consistent with the protection of public
19 health and the environment.

20 Section 1104. Repeal.

21 Repeals are as follows:

22 (1) The provisions of 58 Pa.C.S. (relating to oil and
23 gas) are repealed insofar as they relate to conventional
24 wells.

25 (2) All acts and parts of acts are repealed insofar as
26 they are inconsistent with this act.

27 Section 1105. Continuation.

28 Except as otherwise provided in this act, all conventional
29 oil and gas well activities initiated under 58 Pa.C.S. (relating
30 to oil and gas) or under the former act of December 19, 1984

1 (P.L.1140, No.223), known as the Oil and Gas Act, shall continue
2 and remain in full force and effect and may be completed under
3 this act. Orders, rules and decisions which were made under 58
4 Pa.C.S. or the former Oil and Gas Act as to conventional wells
5 and which are in effect on the effective date of this section
6 shall remain in full force and effect until revoked, vacated or
7 modified under this act. Contracts, obligations and collective
8 bargaining agreements entered into under 58 Pa.C.S. are not
9 affected nor impaired by this act. Nothing in this act shall
10 alter the common law establishing the subsurface as the dominant
11 estate in Pennsylvania, or alter or abridge the terms of any
12 contract, mortgage or other agreement entered into prior to the
13 effective date of this section.
14 Section 1106. Effective date.
15 This act shall take effect immediately.