
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. **790** Session of
2019

INTRODUCED BY SCARNATI, HUTCHINSON, YAW, K. WARD, STEFANO,
VOGEL, BROOKS, LANGERHOLC, J. WARD, FOLMER, MENSCH AND
MARTIN, JUNE 21, 2019

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, JUNE 21, 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; providing for preliminary
4 provisions, for general requirements, for enforcement and
5 remedies, for related funds and for miscellaneous provisions;
6 and making an appropriation.

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

18 CHAPTER 1

19 PRELIMINARY PROVISIONS

20 Section 101. Short title.

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

23 Section 102. Scope of chapter.

24 This act relates to conventional oil and gas development.

25 Section 103. Declaration of purpose of act.

26 The purposes of this act are to:

27 (1) Permit optimal development of oil and gas resources
28 in this Commonwealth consistent with the property rights of
29 owners of the oil and gas resources and the protection of the
30 health, safety, environmental and property rights of

1 Pennsylvania citizens.

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

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

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

10 Section 104. Definitions.

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

14 "Abandoned well." Any of the following:

15 (1) A well:

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

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

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

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

26 "Additive." A hydraulic fracturing chemical.

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

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

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

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

11 (2) Stimulation of a well.

12 "Bodies of water." A natural or artificial lake, pond,
13 reservoir, swamp, marsh or wetland.

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

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

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

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

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

21 (2) A mixture of materials adequate for bonding or
22 sealing of well bores as approved by regulations promulgated
23 under this act.

24 "Certified mail." Any verifiable means of paper document
25 delivery that confirms receipt of the document by the intended
26 recipient or the attempt to deliver the document to the proper
27 address for the intended recipient.

28 "Chemical." Any element, chemical compound or mixture of
29 elements or compounds that has its own specific name or
30 identity, such as a chemical abstract service number.

1 "Coal mine." An operation in a coal seam, which shall
2 include the following:

3 (1) Excavated and abandoned portions as well as the
4 places actually being worked.

5 (2) Underground workings and shafts, slopes, tunnels and
6 other ways and openings.

7 (3) Shafts, slopes, tunnels and other openings in the
8 course of being sunk or driven.

9 (4) Roads and facilities connected below the surface
10 with the items listed under paragraphs (1), (2) and (3).

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

13 "Communicate." A transfer of measurable pressure or fluid
14 flow from a well undergoing hydraulic fracturing to an offset
15 well. The transfer of pressure or fluid may be evidenced at the
16 well undergoing hydraulic fracturing.

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

20 "Conventional well." A bore hole drilled or being drilled
21 for the purpose of, or to be used for, construction of a well
22 regulated under this act that is not an unconventional well,
23 irrespective of technology or design. The term includes, but is
24 not limited to:

25 (1) Wells drilled to produce oil.

26 (2) Wells drilled to produce natural gas from
27 formations other than shale formations.

28 (3) Wells drilled to produce natural gas from shale
29 formations located above the base of the Elk Group or its
30 stratigraphic equivalent.

1 (4) Wells drilled to produce natural gas from shale
2 formations located below the base of the Elk Group where
3 natural gas can be produced at economic flow rates or in
4 economic volumes without the use of vertical or nonvertical
5 well bores stimulated by hydraulic fracture treatments or
6 multilateral well bores or other techniques to expose more of
7 the formation to the well bore.

8 (5) Irrespective of formation, wells drilled for
9 collateral purposes, such as monitoring, geologic logging,
10 secondary and tertiary recovery or disposal injection.

11 "Council." The Pennsylvania Grade Crude Development Advisory
12 Council.

13 "Department." The Department of Environmental Protection of
14 the Commonwealth.

15 "Drilling." The drilling or redrilling of a well or the
16 deepening of an existing well.

17 "Fresh groundwater." Water in that portion of the generally
18 recognized hydrologic cycle which occupies the pore spaces and
19 fractures of saturated subsurface materials.

20 "Gas." Any of the following:

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

25 (2) Any manufactured gas, by-product gas or mixture of
26 gases or natural gas liquids.

27 "Home or consumptive use well." A conventional well
28 producing natural gas solely for consumptive use by the owner of
29 the well.

30 "Hydraulic fracturing chemical." A chemical substance or

1 combination of substances, including any chemicals and
2 proppants, that is intentionally added to a base fluid for
3 purposes of preparing a stimulation fluid for use in hydraulic
4 fracturing.

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

9 "Linear foot." A unit of measurement in a straight line on a
10 horizontal plane.

11 "Noncoal area." An area where there are no workable coal
12 seams.

13 "Notice." For the purpose of providing nonrequired notice to
14 the department, includes notice provided by telephone, e-mail or
15 other available electronic means, unless a specific form of, or
16 location for, notice is required by this act, regulation or
17 otherwise established by the department.

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

21 "Operating coal mine." The portion of a workable coal seam
22 which is covered by an underground mining permit issued by the
23 department.

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

25 "Operator." A well operator.

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

1 "Outside coal boundaries." When used in conjunction with the
2 term "operating coal mine," the boundaries of the coal acreage
3 assigned to the coal mine under an underground mine permit
4 issued by the department.

5 "Owner." A person who owns, manages, leases, controls or
6 possesses a well or coal property. The term does not apply to
7 orphan wells, except where the department determines a prior
8 owner or operator benefited from the well as provided in section
9 311(a).

10 "Person." An individual, association, partnership,
11 corporation, political subdivision or agency of the Federal
12 Government, State government or other legal entity.

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

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

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

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

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

25 "Unpaved road." Road surfaces consisting of dirt, gravel or
26 natural materials other than concrete or asphalt.

27 "Watercourse." A channel or conveyance of surface water
28 having defined bed and banks, whether natural or artificial,
29 with perennial or intermittent flow.

30 "Water purveyor." Any of the following:

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

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

6 "Waters of the Commonwealth." As defined under section 1 of
7 the act of June 22, 1937 (P.L.1987, No.394), known as The Clean
8 Streams Law.

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

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

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

22 (i) (A) used to vent methane to the outside
23 atmosphere from an operating coal mine;

24 (B) regulated as part of the mining permit under
25 The Clean Streams Law, and the act of May 31, 1945
26 (P.L.1198, No.418), known as the Surface Mining
27 Conservation and Reclamation Act; and

28 (C) drilled by the operator of the operating
29 coal mine for the purpose of increased safety; or

30 (ii) used to vent methane to the outside atmosphere

1 under a federally funded or State-funded abandoned mine
2 reclamation project.

3 "Well control emergency." An incident during drilling,
4 operation, workover or completion that, as determined by the
5 department, poses a threat to public health, welfare or safety,
6 including a loss of circulation fluids, kick, casing failure,
7 blowout, fire and explosion.

8 "Well control specialist." Any person trained to respond to
9 a well control emergency with a current certification from a
10 well control course accredited by the International Association
11 of Drilling Contractors or other organization approved by the
12 department.

13 "Well operator." Any of the following:

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

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

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

22 "Well site." The areas occupied by equipment or facilities
23 necessary for or incidental to drilling, completion, production
24 or plugging a well. The term shall include auxiliary pads,
25 staging areas, access roads and tank batteries.

26 "Wetland." Areas inundated or saturated by surface water or
27 groundwater at a frequency and duration sufficient to support,
28 and which normally support, a prevalence of vegetation typically
29 adapted for life in saturated soil conditions, including swamps,
30 marshes, bogs and similar areas.

1 "Workable coal seams." The term includes:

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

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

7 CHAPTER 3

8 GENERAL REQUIREMENTS

9 Section 301. Well permits.

10 (a) Permit required.--No person shall construct a well site,
11 drill or alter a well, except for alterations which satisfy the
12 requirements of subsection (j), without having first obtained a
13 well permit under subsections (b), (c), (d) and (e), or operate
14 an abandoned or orphan well unless in compliance with subsection
15 (k). A copy of the permit shall be kept at the well site during
16 preparation and construction of the well site or access road
17 during drilling or alteration of the well. No person shall be
18 required to obtain a permit to redrill a nonproducing well if
19 the redrilling:

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

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

27 (b) Plat.--

28 (1) The permit application shall be accompanied by a
29 complete and accurate plat prepared by a person trained in
30 the preparation of plats on forms furnished by the

1 department, which shall contain the following:

2 (i) the political subdivision and county in which
3 the tract of land upon which the well to be drilled,
4 operated or altered is located;

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

7 (iii) the name of all surface landowners and 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 plat, along with the courses and distances of the
15 location from two or more permanent identifiable points
16 or landmarks on the tract boundary corners;

17 (vii) the proposed angle and direction of the well
18 if the well is to be deviated substantially from a
19 vertical course;

20 (viii) the number or other identification to be
21 given to the well;

22 (ix) the workable coal seams underlying the tract of
23 land upon which the well is to be drilled or altered and
24 which shall be cased off under section 307; and

25 (x) any other information needed by the department
26 to administer this chapter.

27 (2) The applicant shall forward by certified mail a copy
28 of the plat to the:

29 (i) surface landowner;

30 (ii) the municipality in which the tract of land

1 upon which the well to be drilled is located;

2 (iii) all surface landowners and water purveyors,
3 whose water supplies are within 1,000 feet of the
4 proposed well location;

5 (iv) the owner and lessee of any workable coal
6 seams; and

7 (v) each coal operator required to be identified on
8 the well permit application.

9 (b.1) Notification.--

10 (1) The applicant shall submit proof of notification
11 with the well permit application. Notification of surface
12 owners shall be performed by sending notice to those persons
13 to whom the tax notices for the surface property are sent, as
14 indicated in the assessment books in the county in which the
15 property is located. Notification of surface landowners or
16 water purveyors shall be on forms, and in a manner prescribed
17 by the department, sufficient to identify the rights afforded
18 those persons under section 308 and to advise them of the
19 advantages of taking their own predrilling or prealteration
20 survey.

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

1 (b.2) Approval.--If the applicant submits to the department
2 written approval of the proposed well location by the surface
3 landowner and the coal operator, lessee or owner of any workable
4 coal underlying the proposed well location and no objections are
5 raised by the department within 15 days of filing, or if no
6 approval has been submitted and no objections are made to the
7 proposed well location within 15 days from receipt of notice by
8 the department, the surface landowner or any coal operator,
9 lessee or owner, the written approval shall be filed and become
10 a permanent record of the well location, subject to inspection
11 at any time by any interested person. The application form to
12 operate an abandoned or orphan well shall provide notification
13 to the applicant of its responsibilities to plug the well upon
14 abandonment.

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

26 (d) (Reserved).

27 (e) Issuance of permit.--The department shall issue a permit
28 within 45 days of submission of a permit application unless the
29 department denies the permit application for one or more of the
30 reasons set forth in subsection (e.1), except that the

1 department shall have the right to extend the period for 15 days
2 for cause shown upon notification to the applicant of the
3 reasons for the extension. The department may impose permit
4 terms and conditions necessary to assure compliance with this
5 chapter or other laws administered by the department.

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

8 (1) The well site for which a permit is requested is in
9 violation of any of this chapter or issuance of the permit
10 would result in a violation of this chapter or other
11 applicable law.

12 (2) The permit application is incomplete.

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

15 (4) The requirements of section 316 have not been met.

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

27 (i) the applicant has not appealed the final action
28 in accordance with the act of July 13, 1988 (P.L.530,

29 No.94), known as the Environmental Hearing Board Act; or

30 (ii) if an appeal has been filed, no supersedeas has

1 been issued.

2 (f) Drilling.--

3 (1) Upon issuance of a permit, the well operator may
4 drill, operate or alter at the exact location shown on the
5 plat after providing the department, the surface landowner
6 and the local political subdivision in which the well is to
7 be located 24 hours' notice of the date that drilling will
8 commence. Notification to the department must be provided
9 electronically. If there is a break in drilling of 30 days or
10 more, the well operator shall notify the department at least
11 24 hours prior to the resumption of drilling.

12 (2) Prior to drilling each additional project well, the
13 well operator shall notify the department and provide
14 reasonable notice of the date on which drilling will
15 commence.

16 (3) Whenever, before or during the drilling of a well
17 not within the boundaries of an operating coal mine, the well
18 operator encounters conditions of a nature which renders
19 drilling of the bore hole or a portion thereof impossible, or
20 more hazardous than usual, the well operator, upon verbal
21 notice to the department, may immediately plug all or part of
22 the bore hole, if drilling has occurred, and commence a new
23 bore hole not more than 50 feet from the old bore hole if the
24 location of the new bore hole does not violate section 305
25 and, in the case of a well subject to act of July 25, 1961
26 (P.L.825, No.359), known as the Oil and Gas Conservation Law,
27 if the new location complies with existing laws, regulations
28 and spacing orders and the new bore hole is at least 330 feet
29 from the nearest lease boundary.

30 (4) If drilling occurred at the original well bore,

1 within 10 days of commencement of the new bore hole, the well
2 operator shall file with the department a written notice of
3 intention to plug, a well record, a completion report, a
4 plugging certificate for the original bore hole and an
5 amended plat for the new bore hole.

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

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

13 (h) Expiration.--Well permits issued for drilling wells
14 under this chapter shall expire three years after issuance
15 unless operations for drilling the well are commenced within the
16 period and pursued with due diligence or unless the permit is
17 renewed in accordance with regulations of the department. If
18 drilling is commenced during the permit term, the well permit
19 shall remain in force until the well is plugged in accordance
20 with section 311 or the permit is revoked. A drilling permit
21 issued prior to April 18, 1985, for a well which is an operating
22 well on April 18, 1985, shall remain in force as a well permit
23 until the well is plugged in accordance with section 311.

24 (i) Exceptions.--The Environmental Quality Board may
25 establish by regulation certain categories of alterations of
26 permitted or registered wells for which permitting requirements
27 of this section shall not apply. A well operator or owner who
28 proposes to conduct the alteration activity shall first obtain a
29 permit or registration modification from the department. The
30 Environmental Quality Board shall promulgate regulations as to

1 the requirements for modifications.

2 (j) No transfer permitted.--No permit issued under this
3 section or registration issued under section 303 may be
4 transferred without prior approval of the department. A request
5 for approval of a transfer shall be on the forms, and in the
6 manner, prescribed by the department. Transfer of a home or
7 consumptive use well requires a bond for the well and the well
8 site on forms prescribed by the department in an amount
9 sufficient to plug the well and restore the well site, as
10 determined by the department. A bond filed with a transfer
11 request for a home or consumptive use well shall be payable to
12 the Commonwealth and conditioned on the transferee's faithful
13 performance of all water supply replacement, restoration and
14 plugging requirements of this chapter. The department shall
15 approve or deny a transfer request within 45 days of receipt of
16 a complete and accurate application. The department may deny a
17 request only for reasons set forth in subsection (e.1)(1), (4)
18 and (5) or if the well is abandoned. Approval of a transfer
19 request shall permanently transfer responsibility to plug the
20 well under section 311 to the recipient of the transferred
21 permit or registration.

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

27 Section 302. Permit objections.

28 (a) General rule.--If a well referred to in section 301(b)
29 will be located on a tract whose surface is owned by a person
30 other than the well operator, the surface landowner affected

1 shall be notified of the intent to drill and may file
2 objections, in accordance with section 501, based on the
3 assertion that the well location violates section 305 or that
4 information in the application is untrue in any material
5 respect, within 15 days of the receipt by the surface owner of
6 the plat under section 301(b). Receipt of notice by the surface
7 owner shall be presumed to have occurred 15 days from the date
8 of the certified mailing when the well operator submits a copy
9 of the certified mail receipt sent to the surface owner and an
10 affidavit certifying that the address of the surface owner to
11 which notice was sent is the same as the address listed in the
12 assessment books in the county where the property is located. If
13 no objection is filed or none is raised by the department within
14 15 days after receipt of the plat by the surface landowner or if
15 written approval by the surface landowner is filed with the
16 department and no objection is raised by the department within
17 15 days of filing, the department shall proceed to issue or deny
18 the permit.

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

- 22 (1) an operating coal mine; or
- 23 (2) a coal mine already projected and platted, but not
24 yet being operated, for which a technically complete mine
25 permit application has been filed with the department or
26 within 1,000 linear feet beyond the boundaries and the well,
27 when drilled, or the pillar of coal around the well will, in
28 the reasonable opinion of the coal owner or operator,
29 endanger the mine, the coal owner or operator affected shall
30 have the right to file objections in accordance with section

1 501 to the proposed location within 15 days of the receipt by
2 the coal operator of the plat provided for in section 301(b).

3 (c) Alternative location.--If possible, an alternative
4 location at which the proposed well could be drilled to overcome
5 objections under this section shall be indicated.

6 (d) Failure to object.--If no objection to the proposed
7 location is filed under this section or if none is raised by the
8 department within 15 days after receipt of the plat by the coal
9 operator or owner or if written approval by the coal operator or
10 owner of the location is filed with the department and no
11 objection is raised by the department within 15 days of filing,
12 the department shall proceed to issue or deny the permit.

13 (e) Procedure upon objection.--If an objection is filed by a
14 coal operator or owner or made by the department, the department
15 shall fix a time and place for a conference under section 501
16 not more than 10 days from the date of service of the objection
17 to allow the parties to consider the objection and attempt to
18 agree on a location. If the parties fail to agree, the
19 department, by an appropriate order, shall determine a location
20 on the tract of land as near to the original location as
21 possible where, in the judgment of the department, the well can
22 be safely drilled without unduly interfering with or endangering
23 the mine as defined in subsection (b). The new location agreed
24 upon by the parties or determined by the department shall be
25 indicated on the plat on file with the department and become a
26 permanent record upon which the department shall proceed to
27 issue or deny the permit.

28 (f) Survey.--Within 120 days after commencement of drilling
29 operations, the coal operator shall accurately locate the well
30 by a closed survey on the same datum as the mine workings or

1 coal boundaries are mapped, file the results of the survey with
2 the department and forward a copy by certified mail to the well
3 operator.

4 Section 303. Well adoption and identification.

5 (a) General rule.--Each person who owns or operates a well
6 in existence prior to the effective date of this section, which
7 has not been registered with the department and for which no
8 drilling permit has been issued by the department, shall apply
9 to adopt the well using forms developed by the department. No
10 fee shall be charged for well adoption unless the well must also
11 be altered in accordance with section 301 prior to operation.

12 (b) Orphan and abandoned wells.--A well owner, well operator
13 or other person discovering an abandoned well on property
14 purchased or leased by the well owner, well operator or other
15 person shall identify it to the department within 60 days of
16 discovery and advise the department that the operator is seeking
17 classification of the well as an orphan well or abandoned well.
18 The classification request shall include any available
19 information relating to the well's operating and ownership
20 interests. No fee shall be required for identification.

21 (c) Area of review.--An operator shall undertake reasonable
22 diligence to avoid inadvertent communication with abandoned,
23 orphan, plugged, active and inactive wells during hydraulic
24 fracturing by conducting an area of review investigation
25 consisting of the following:

- 26 (1) Review of records and reports.
- 27 (2) Field investigation.
- 28 (3) Nontrespass monitoring of orphan and abandoned
29 wells.

30 The area of review shall consist of the area of the operator's

1 oil and gas operating interest within half the well field
2 spacing of a vertical well or half the well field distances of
3 the lateral portion of a horizontal conventional well.

4 (d) Notice.--An operator shall provide notice to the
5 department as soon as practicable if a well undergoing hydraulic
6 fracturing communicates with any abandoned, orphan, plugged,
7 active or inactive well in a manner that has the potential to
8 cause an adverse environmental, public health or safety impact.
9 In a coal area in which the affected well is within an active
10 mine or 2,000 linear feet or less from an active mine, the coal
11 operator shall also be notified as soon as practicable.

12 (e) Remedial actions.--An operator inadvertently
13 communicating with any abandoned, orphan, plugged, active or
14 inactive well shall implement remedial actions necessary to
15 prevent pollution and protect the environment, public health and
16 safety. Remedial actions may include, but are not limited to,
17 cessation of hydraulic fracturing and plugging.

18 (f) Permit required.--A person who proposes to operate an
19 orphan or abandoned well affected by hydraulic fracturing
20 operations shall first obtain a permit to adopt and operate the
21 well in accordance with subsection (a) if the well complies with
22 the spacing requirements in coal areas under the act of December
23 18, 1984 (P.L.1069, No.214), known as the Coal and Gas Resource
24 Coordination Act, or for wells subject to the act of July 25,
25 1961 (P.L.825, No.359), known as the Oil and Gas Conservation
26 Law.

27 (g) Regulations.--The Environmental Quality Board shall have
28 the authority to adopt regulations regarding the area of review
29 provisions under subsections (c), (d) and (e).

30 Section 304. Inactive status.

1 (a) General rule.--Within 60 days of receipt of an
2 application for inactive status, the department may grant
3 inactive status for a period of five years for a permitted or
4 registered well, if the following requirements are met:

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

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

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

18 (4) the applicant satisfies the bonding requirements of
19 sections 303 and 316.

20 (b) Determination.--If the department has not made a final
21 determination on an application for inactive status within 60
22 days, the well will be considered inactive for purposes of
23 compliance with the reporting requirements under this chapter
24 until the department makes a final determination on the
25 application for inactive status.

26 (c) Monitoring.--The owner or operator of a well granted
27 inactive status shall:

28 (1) be responsible for monitoring the mechanical
29 integrity of the well to ensure that the requirements of
30 subsection (a) (1) and (2) are met;

1 (2) submit a report on an annual basis to the department
2 in a manner and form as provided by the department that
3 demonstrates that the well complies with subsection (a)(1),
4 (2) and (3); and

5 (3) if granted under subsection (a), immediately notify
6 the department when the well no longer meets the requirements
7 of subsection (a) and plug the well in accordance with
8 section 311 or repair the well in order to meet the
9 requirements of subsection (a)(1) and (2).

10 (d) Return to active status.--A well granted inactive status
11 under subsection (a) or (b) shall be plugged in accordance with
12 section 311 or returned to active status within five years of
13 the date inactive status commenced, unless the owner or operator
14 applies for an extension of inactive status which may be granted
15 once for up to five years if the department determines that the
16 owner or operator has demonstrated an ability to continue
17 meeting the requirements of this section and the owner or
18 operator certifies that the well will be of future use within a
19 reasonable period of time. An owner or operator who has been
20 granted inactive status for a well which is returned to active
21 status prior to expiration of the five-year period set forth in
22 subsection (a) shall notify the department that the well has
23 been returned to active status and shall not be permitted to
24 apply for another automatic five-year period of inactive status
25 for the well. The owner or operator may make an application to
26 return the well to inactive status, and the application may be
27 approved on a year-to-year basis if the department determines
28 that the owner or operator has demonstrated an ability to
29 continue meeting the requirements of this section and the owner
30 or operator certifies that the well will be of future use within

1 a reasonable period of time. The department shall approve or
2 deny an application to extend a period of inactive status or to
3 return a well to inactive status within 60 days of receipt of
4 the application, and the application shall not be unreasonably
5 denied. If the department has not completed its review of the
6 application within 60 days, the inactive status shall continue
7 until the department has made a determination on the request. An
8 owner or operator may under no circumstances extend the total
9 period of inactive status for a well beyond 10 years unless the
10 operator files a bond on forms prescribed by the department in
11 an amount sufficient to plug the well and restore the well site
12 as determined by the department. A bond filed for an inactive
13 status well shall be payable to the Commonwealth and conditioned
14 on the operator's faithful performance of all water supply
15 replacement, restoration and plugging requirements of this
16 chapter. If the department denies an application to extend the
17 period of inactive status or to return a well to inactive
18 status, a well owner or operator aggrieved by the denial shall
19 have the right to appeal the denial to the Environmental Hearing
20 Board within 30 days of receipt of the denial. Upon cause shown
21 by a well owner or operator, the board may grant a supersedeas
22 under section 4 of the act of July 13, 1988 (P.L.530, No.94),
23 known as the Environmental Hearing Board Act, so that the well
24 in question may retain inactive status during the period of the
25 appeal.

26 (e) Revocation of inactive status.--The department may
27 revoke inactive status and order immediate plugging of a well if
28 the well is in violation of this chapter or rules or regulations
29 promulgated under this chapter or if the owner or operator
30 demonstrates inability to perform obligations under this chapter

1 or becomes financially insolvent, or upon receipt by the
2 department of notice of bankruptcy proceedings by the permittee.
3 Section 305. Well location restrictions.

4 (a) General rule.--Wells may not be drilled within 200 feet
5 measured horizontally from the vertical well bore to a building
6 or water well, existing when the copy of the plat is mailed as
7 required by section 301(b) without written consent of the owner
8 of the building or water well. If consent is not obtained and
9 the distance restriction would deprive the owner of the oil and
10 gas rights of the right to produce or share in the oil or gas
11 underlying the surface tract, the well operator shall be granted
12 a variance from the distance restriction upon submission of a
13 plan identifying the additional measures, facilities or
14 practices as prescribed by the department to be employed during
15 well site construction, drilling and operations. The variance
16 shall include additional terms and conditions required by the
17 department to ensure safety and protection of affected persons
18 and property, including insurance, bonding, indemnification and
19 technical requirements. Notwithstanding section 301(e), if a
20 variance request has been submitted, the department may extend
21 its permit review period for up to 15 days upon notification to
22 the applicant of the reasons for the extension.

23 (b) Limitation.--

24 (1) No well site may be prepared or well drilled within
25 100 feet from the vertical well bore or 100 feet from the
26 edge of the well site, whichever is greater, measured
27 horizontally from any solid blue lined stream, spring or body
28 of water as identified on the most current 7.5-minute
29 topographic quadrangle map of the United States Geological
30 Survey or within 100 feet of any wetlands greater than one

1 acre in size.

2 (2) The department may waive the distance restrictions
3 upon submission of a plan identifying additional measures,
4 facilities or practices to be employed during well site
5 construction, drilling and operations necessary to protect
6 the waters of the Commonwealth. The waiver, if granted, shall
7 include additional terms and conditions required by the
8 department necessary to protect the waters of the
9 Commonwealth. Notwithstanding section 301(e), if a waiver
10 request has been submitted, the department may extend its
11 permit review period for up to 15 days upon notification to
12 the applicant of the reasons for the extension.

13 (c) Impact.--On making a determination on a well permit, the
14 department shall consider the impact of the proposed well on
15 public resources, including:

16 (1) Publicly owned parks, forests, game lands and
17 wildlife areas.

18 (2) National or State scenic rivers.

19 (3) National natural landmarks.

20 (4) Habitats of threatened and endangered flora and
21 fauna that are listed in a final rulemaking by a Federal or
22 State agency with the statutory authority to list species for
23 protection.

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

26 (6) Sources used for public drinking supplies in
27 accordance with subsection (b).

28 (d) Limitation.--The department's consideration of impacts
29 to public natural resources under subsection (c)(1) is limited
30 to publicly owned property for which the Commonwealth has

1 trustee obligations and does not alter or affect the dominance
2 of the subsurface estate or the rights of oil and gas owners to
3 optimize the development of their subsurface property.

4 (e) Standard of proof.--Any permit conditions imposed under
5 this section must be based upon clear and convincing evidence of
6 long term adverse impact to a public resource and shall be
7 developed in accordance with section 301(e).

8 (f) Regulation criteria.--The Environmental Quality Board
9 shall develop the following criteria by regulation:

10 (1) For the department to utilize for conditioning a
11 well permit based on its impact to the public resources
12 identified under subsection (c) and for ensuring optimal
13 development of oil and gas resources and respecting property
14 rights of oil and gas owners.

15 (2) For appeal to the Environmental Hearing Board of a
16 permit containing conditions imposed by the department. The
17 regulations shall also provide that the department has the
18 burden of proving that the conditions were necessary to
19 protect against a probable harmful impact of the public
20 resources.

21 (g) Floodplains.--

22 (1) At well sites located within floodplains, water,
23 chemicals, fuels, hazardous materials or solid waste may be
24 stored temporarily during drilling or completion in
25 accordance with best practices. After the effective date of
26 this section, no permanent tank location may be constructed
27 within a floodplain without a waiver.

28 (2) The department may waive a restriction under this
29 act upon a permanent tank location upon submission of a plan
30 that shall identify the additional measures, facilities or

1 practices to be employed. The waiver, if granted, shall
2 impose permit conditions necessary to protect the waters of
3 the Commonwealth.

4 (h) Best practices required.--

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

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

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

24 (ii) any intermittent stream up to 50 feet
25 horizontally from the top of the bank of the intermittent
26 stream.

27 (i) Applicability.--

28 (1) This section shall not apply to a well proposed to
29 be drilled on an existing well site for which at least one
30 well permit has been issued prior to the effective date of

1 this section.

2 (2) Nothing in this section shall alter or abridge the
3 terms of any contract, mortgage or other agreement entered
4 into prior to the effective date of this section.

5 Section 306. Well site restoration.

6 (a) General rule.--Each oil or gas well owner or operator
7 shall restore the land surface within the area disturbed in
8 siting, drilling, completing, producing and plugging the well.
9 Unless a landowner's consent is obtained, restoration shall
10 include, but is not limited to, reclamation of the land affected
11 to preconstruction contours so that it:

12 (1) closely resembles the general surface configuration
13 of the land prior to construction activities, if known;

14 (2) blends into and complements the drainage pattern of
15 the surrounding terrain; and

16 (3) supports the land uses that existed prior to the
17 applicable oil and gas operations and to the extent
18 practicable based on current land conditions.

19 (b) Plan.--During and after earthmoving or soil disturbing
20 activities, including, but not limited to, activities related to
21 siting, drilling, completing, producing and plugging the well,
22 erosion and sedimentation control and storm water management
23 measures shall be implemented in accordance with a plan prepared
24 in accordance with the act of June 22, 1937 (P.L.1987, No.394),
25 known as The Clean Streams Law. For purpose of determining the
26 five-acre permit threshold under The Clean Streams Law, the well
27 site project includes only the construction of the well site and
28 new portions of access roads; well sites and new portions of
29 access roads concurrently under construction along an existing
30 common access road are to be considered part of the same well

1 site project. Existing well sites restored prior to drilling and
2 completing the wells are not considered to be part of new well
3 site projects.

4 (c) Pits, drilling supplies and equipment.--Within nine
5 months after the completion of drilling of a well or expiration
6 of the well permit, the owner or operator shall restore the well
7 site and remove or fill all pits used to contain produced fluids
8 or industrial wastes and remove all drilling supplies and
9 equipment not needed for production. Drilling supplies or other
10 equipment required for future repairs, operations or drilling
11 upon the oil and gas premises of which the well site is a
12 portion may be stored on the well site consistent with the
13 property rights of the owner of the oil and gas resources or if
14 the express written consent of the surface landowner is
15 obtained.

16 (d) Items related to production or storage.--Within nine
17 months after plugging a well, the owner or operator shall remove
18 all production or storage facilities, supplies and equipment and
19 restore the well site.

20 (e) Clean Streams Law.--Restoration activities required
21 under this act or in regulations promulgated under this act
22 shall also comply with all applicable provisions of The Clean
23 Streams Law.

24 (f) Violation of chapter.--Failure to restore a well site as
25 required under this act or regulations promulgated under this
26 act constitutes a violation of this chapter.

27 (g) Extension.--

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

1 (i) the extension will result in less earth
2 disturbance, increased water reuse or more efficient
3 development of the resources; or

4 (ii) site restoration cannot be achieved due to
5 adverse weather conditions or a lack of essential fuel,
6 equipment or labor.

7 (2) The demonstration under paragraph (1) shall do all
8 of the following:

9 (i) Include a site restoration plan that shall
10 provide for:

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

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

15 (C) the stabilization of the well site that
16 shall include interim postconstruction storm water
17 management best management practices; or

18 (D) other measures to be employed to minimize
19 accelerated erosion and sedimentation in accordance
20 with The Clean Streams Law.

21 (ii) Provide for restoring the portions of the site
22 not occupied by production facilities or equipment
23 consistent with subsection (a).

24 (3) The department may condition an extension under this
25 subsection as is necessary in accordance with The Clean
26 Streams Law.

27 Section 307. Protection of fresh groundwater and casing
28 requirements.

29 (a) General rule.--To aid in protection of fresh
30 groundwater, well operators shall control and dispose of brines

1 produced from the drilling, alteration or operation of an oil or
2 gas well in a manner consistent with the act of June 22, 1937
3 (P.L.1987, No.394), known as The Clean Streams Law, or any
4 regulation promulgated under The Clean Streams Law.

5 (b) Casing.--To prevent migration of gas or fluids into
6 sources of fresh groundwater and pollution or diminution of
7 fresh groundwater, a string or strings of casing shall be run
8 and permanently cemented in each well drilled through the fresh
9 water-bearing strata to a depth and in a manner prescribed by
10 regulation by the department. The regulation shall be consistent
11 with practices that have proven to be protective in regional
12 areas and consider the use of alternative cement formulations
13 and casing materials to protect the casing from corrosion,
14 lithologic and physical conditions of the surrounding well bore.

15 (c) Noncoal areas.--In noncoal areas, the surface casing may
16 be employed as production casing for oil or gas production,
17 provided:

18 (1) The operator pumps a volume of cement equal to or
19 greater than 120% of the calculated annular space.

20 (2) The operator circulates cement using the
21 displacement method.

22 (3) The location of cement within the annular space, as
23 determined by logging, and the function of the casing string
24 satisfy the requirements of subsection (b) and other
25 regulations prescribed by the department. To achieve
26 sufficient cement coverage in the annular space, the operator
27 may install a cement basket immediately above the depth of an
28 anticipated lost circulation zone and fill the annular space
29 by pumping from the surface if a casing and cementing plan
30 detailing the procedure is approved by the department.

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

9 (e) Procedure when coal has not been removed.--If a well is
10 drilled at a location where the coal seam has not been removed,
11 the casing shall be installed and permanently cemented in a
12 manner prescribed by regulation to exclude gas or fluids from
13 the coal seam, except gas or fluids found naturally in the seam
14 itself, and to enable monitoring the integrity of the production
15 casing.

16 Section 308. Protection of water supplies.

17 (a) General rule.--In addition to the requirements of
18 subsection (c.1), a well operator who affects a public or
19 private water supply by pollution or diminution shall restore or
20 replace the affected supply with an alternate source of water
21 adequate in quantity or quality for the purposes served by the
22 supply. The quality of a restored or replaced water supply will
23 be deemed adequate if it meets the standards established under
24 the act of May 1, 1984 (P.L.206, No.43), known as the
25 Pennsylvania Safe Drinking Water Act, or is comparable to the
26 quality of the water supply before it was affected by the
27 operator if that water supply did not meet these standards. The
28 Environmental Quality Board shall promulgate regulations
29 necessary to meet the requirements of this subsection.

30 (b) Pollution or diminution of water supply.--A landowner or

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

15 (b.1) (Reserved).

16 (b.2) Telephone number.--The department shall establish a
17 single Statewide toll-free telephone number that persons may use
18 to report cases of water contamination which may be associated
19 with the development of oil and gas resources. The Statewide
20 toll-free telephone number shall be provided in a conspicuous
21 manner in the notification required under section 301(b) and on
22 the department's publicly accessible Internet website.

23 (b.3) Responses.--The department shall develop appropriate
24 administrative responses to calls received on the Statewide
25 toll-free telephone number for water contamination.

26 (b.4) Website.--The department shall publish, on its
27 publicly accessible Internet website, lists of confirmed cases
28 of subterranean water supply contamination that result from
29 hydraulic fracturing.

30 (b.5) Facility operation qualifications.--The department

1 shall ensure that a facility which seeks a National Pollutant
2 Discharge Elimination System permit for the purposes of treating
3 and discharging wastewater originating from oil and gas
4 activities into waters of the Commonwealth is operated by a
5 competent and qualified individual.

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

9 (1) the water supply is within 1,000 feet of an oil or
10 gas well; and

11 (2) the pollution occurred within six months after
12 completion of drilling or alteration of the oil or gas well.

13 (c.1) Requirement.--If the affected water supply is within
14 the rebuttable presumption area as provided in subsection (c)
15 and the rebuttable presumption applies, the operator shall
16 provide a temporary water supply if the water user is without a
17 readily available alternative source of water. The temporary
18 water supply provided under this subsection shall be adequate in
19 quantity and quality for the purposes served by the supply.

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

23 (1) the pollution existed prior to the drilling or
24 alteration activity as determined by a predrilling or
25 prealteration survey;

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

29 (3) the water supply is not within 1,000 feet of the
30 well;

1 (4) the pollution occurred more than six months after
2 completion of drilling or alteration activities; and

3 (5) the pollution occurred as the result of a cause
4 other than the drilling or alteration activity.

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

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

16 Section 309. Use of safety devices.

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

22 Section 310. Well control emergency response.

23 (a) Contracts.--The department may enter into contracts with
24 well control specialists in order to provide adequate emergency
25 response services in the event of a well control emergency. The
26 department shall make available, upon request by a county,
27 information relating to contracts with well control specialists.

28 (b) Civil immunity.--Except as set forth in subsection (c),
29 a well control specialist with which the department has entered
30 into a contract under subsection (a) shall be immune from civil

1 liability for actions taken in good faith to carry out its
2 contractual obligations.

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

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

6 (2) An intentional tort.

7 (3) Gross negligence.

8 Section 311. Plugging requirements.

9 (a) General rule.--Conventional wells shall be plugged in
10 accordance with this act. Prior to abandoning a well, the owner
11 or operator shall plug it in the manner prescribed by regulation
12 of the department to stop vertical flow of fluids or gas within
13 the well bore, unless the department has determined that the
14 flow is an acceptable artesian flow of freshwater, the well is
15 on inactive status or it has been approved by the department as
16 an orphan well. If the department determines that a prior owner
17 or operator received economic benefit, other than economic
18 benefit derived only as a landowner or from a royalty interest,
19 after April 18, 1979, from an orphan well or an unregistered
20 well, the owner or operator shall be responsible for plugging
21 the well. In the case of a gas well penetrating a workable coal
22 seam which was drilled prior to January 30, 1956, or which was
23 permitted after that date but not plugged in accordance with
24 this chapter, if the owner or operator or a coal operator or an
25 agent proposes to plug the well to allow mining through it, the
26 gas well shall be cleaned to a depth of at least 200 feet below
27 the coal seam through which mining is proposed and, unless
28 impracticable, to a point 200 feet below the deepest mineable
29 coal seam. The gas well shall be plugged from that depth in
30 accordance with section 13 of the act of December 18, 1984

1 (P.L.1069, No.214), known as the Coal and Gas Resource
2 Coordination Act, and the regulations of the department.

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

27 (c) Abandoned wells.--Prior to abandonment of a well, except
28 an uncompleted bore hole plugged immediately upon suspension of
29 drilling in an area not underlain by a workable coal seam, the
30 well operator shall notify the department of the intention to

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

25 (d) Wells abandoned upon completion of drilling.--If a well
26 is to be abandoned immediately after completion of drilling, the
27 well operator shall give at least 24 hours' notice, confirmed by
28 certified mail, to the department and to the coal operator,
29 lessee or owner, if any, fixing the date and time when plugging
30 will commence. Notice and the right to be present may be waived

1 by the department and the coal operator, lessee or owner, if
2 any. Whether or not representatives of the department or coal
3 operator, lessee or owner, if any, attend, if the well operator
4 has fully complied with the requirements of this section, the
5 well operator may proceed, at the time fixed, to plug the well
6 in the manner provided by regulation of the department. The well
7 operator shall prepare the certificate of plugging and mail
8 copies of the same as provided in subsection (b).

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

26 (f) Environmental good Samaritans.--A person is not subject
27 to liability for environmental remediation related to an orphan
28 well or abandoned well without a responsible owner or operator
29 and is not required to plug an orphan well solely because the
30 person obtains approval from the department to plug an orphan

1 well. A person undertaking the plugging of an orphan well or
2 abandoned well without a responsible owner or operator with
3 approval from the department under 27 Pa.C.S. Ch. 81 (relating
4 to good Samaritan), including by way of a grant or payment from
5 the Commonwealth Financing Authority, is not subject to the
6 notice requirements of 27 Pa.C.S. § 8105(b) (relating to
7 eligibility and project inventory), provided that the surface
8 landowner is notified and grants access to the well. Notice to
9 the department and the surface landowner shall be provided on
10 forms developed by the department. When plugging has been
11 completed, a certificate shall be prepared and signed on a form
12 to be furnished by the department by two experienced and
13 qualified individuals who participated in the work and set forth
14 the time and manner in which the well was plugged. A copy of the
15 certificate shall be provided to the department.

16 (g) Persons who voluntarily plug an orphan or abandoned well
17 in accordance with this section.--In addition to the categories
18 of grants available through the Commonwealth Financing Authority
19 from revenue deposited into the Marcellus Legacy Fund under 58
20 Pa.C.S. § 2315(a.1)(1) (relating to Statewide initiatives),
21 persons who voluntarily plug an orphan or abandoned well without
22 a responsible owner or operator may also apply to the
23 Commonwealth Financing Authority for a grant and the following
24 shall apply:

25 (1) The Commonwealth Financing Authority shall not
26 provide any grant under this section unless the department
27 certifies that the well was plugged in accordance with law on
28 forms developed by the department.

29 (2) The Commonwealth Financing Authority shall give
30 priority consideration to grant applications submitted under

1 this section and may annually award grants, subject to the
2 availability of funds, in the following amounts, which shall
3 be adjusted annually from the effective date of this section
4 to reflect increases in the Consumer Price Index:

5 (i) for each well 2,000 feet or less below ground
6 surface, \$10,000;

7 (ii) for each well between 2,001 and 3,000 feet
8 below ground surface, \$20,000; or

9 (iii) for each well greater than 3,000 feet below
10 ground surface, \$30,000.

11 (h) Liability protection.--A person who voluntarily plugs an
12 orphan well or abandoned well without a responsible owner or
13 operator and receives payment under this section shall not be
14 disqualified from liability protections under 27 Pa.C.S. Ch. 81.

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

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

30 Section 312. Alternative methods.

1 A well operator may request permission to use a method or
2 material other than those required by this chapter and
3 applicable regulations for casing, plugging or equipping a well
4 in an application to the department which describes the proposed
5 alternative in reasonable detail and indicates the manner in
6 which it will accomplish the goals of this chapter. Notice of
7 filing of the application shall be given by the well operator by
8 certified mail to any affected coal operators, who may, within
9 15 days after the notice, file objections to the proposed
10 alternative method or material. If no timely objections are
11 filed or raised by the department, the department shall
12 determine whether to allow use of the proposed alternative
13 method or material.

14 Section 313. Well reporting requirements.

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

25 (b) Collection of data.--

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

28 (2) A record containing the information required by the
29 department shall be filed within 30 days after drilling of a
30 well.

1 (3) Within 30 days after completion of the well, when
2 the well is capable of production, a completion report
3 containing any additional required information shall be filed
4 and shall be maintained by the department.

5 (4) The well operator shall, within 90 days of
6 completion or recompletion of drilling, submit a copy of any
7 electrical, radioactive or other standard industry logs which
8 have been run.

9 (5) Upon request by the department within one year, the
10 well operator shall file a copy of drill stem test charts,
11 formation water analysis, porosity, permeability or fluid
12 saturation measurements, core analysis and lithologic log or
13 sample description or other similar data as compiled. No
14 information shall be required unless the well operator had it
15 compiled in the ordinary course of business, and
16 interpretation of data under this paragraph is not required
17 to be filed.

18 (b.1) Report contents.--

19 (1) The completion report shall contain the operator's
20 stimulation record. The stimulation record shall include all
21 of the following:

22 (i) A descriptive list of the chemical additives in
23 the stimulation fluids, including any acid, biocide,
24 breaker, brine, corrosion inhibitor, crosslinker,
25 demulsifier, friction reducer, gel, iron control, oxygen
26 scavenger, Ph adjusting agent, proppant, scale inhibitor
27 and surfactant.

28 (ii) The trade name, vendor and a brief descriptor
29 of the intended use or function of each chemical additive
30 in the stimulation fluid.

1 (iii) A list of the chemicals intentionally added to
2 the stimulation fluid, by name and chemical abstract
3 service number.

4 (iv) The maximum concentration, in percent by mass,
5 of each chemical intentionally added to the stimulation
6 fluid.

7 (v) The total volume of the base fluid.

8 (vi) The pump rates and pressure used in the well.

9 (vii) The total volume of recycled water used.

10 (2) The well record shall identify whether methane was
11 encountered in other than a target formation.

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

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

28 (d) Retention and filing.--Data required under subsection
29 (b) (5) and drill cuttings required under subsection (c) shall be
30 retained by the well operator and filed with the department no

1 more than three years after completion of the well. Upon
2 request, the department shall extend the deadline up to five
3 years from the date of completion of the well. The department
4 shall be entitled to utilize information collected under this
5 subsection in enforcement proceedings, in making designations or
6 determinations under section 1927-A of The Administrative Code
7 of 1929 and in aggregate form for statistical purposes.

8 Section 314. Notification and effect of well transfer.

9 The owner or operator of a well shall notify the department
10 in writing within 30 days, in a form directed by regulation, of
11 sale, assignment, transfer, conveyance or exchange by or to the
12 owner of the well. A transfer shall not relieve the well owner
13 or operator of an obligation accrued under this chapter, nor
14 shall it relieve the owner or operator of an obligation to plug
15 the well until the requirements of section 316 have been met, at
16 which time the transferring owner or operator shall be relieved
17 from all obligations under this chapter, including the
18 obligation to plug the well.

19 Section 315. Coal operator responsibilities.

20 (a) General rule.--

21 (1) At any time prior to removing coal or other
22 underground material or extending the workings in a coal mine
23 within 500 feet of an oil or gas well of which the coal
24 operator has knowledge or an approved well location of which
25 the coal operator has knowledge, the coal operator shall
26 forward, by certified mail, to, or file with, the well
27 operator and the department a copy of the relevant part of
28 the coal operator's maps and plans which is presently
29 required by law to be prepared and filed with the department,
30 showing the pillar which the coal operator proposes to leave

1 in place around each oil or gas well in the projected
2 workings.

3 (2) Following the filing of maps and plans under
4 paragraph (1), the coal operator may proceed with mining
5 operations in the manner projected on the maps and plans. The
6 coal operator shall not remove any coal or cut any passageway
7 within 150 feet of a well or approved well location until
8 written approval has been granted as provided under this
9 section.

10 (3) If, in the opinion of the well operator or the
11 department, the plan indicates that the pillar proposed to be
12 left around a well or approved well location is inadequate to
13 protect either the integrity of the well or the public health
14 and safety, the well operator affected shall attempt to agree
15 with the coal operator upon a suitable pillar, subject to the
16 approval of the department. If the parties fail to agree, the
17 well operator may, within 10 days from receipt of the plan,
18 file objections to the proposed plan in accordance with
19 section 501, indicating the size of the pillar to be left
20 with respect to each well.

21 (4) If no objections are filed within the 10-day period
22 or if none are raised by the department, the department shall
23 grant approval to the coal operator, which shall document the
24 following:

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

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

27 (iii) That the pillar proposed to be left for each
28 well is approved in the manner as projected.

29 (b) Objections.--

30 (1) If objections are filed by a well operator or are

1 raised by the department, the department shall direct that a
2 conference be held in accordance with section 501 within 10
3 days of the filing of the objections.

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

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

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

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

30 (c) Pillars of reduced size.--Application may be made at any

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

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

16 (e) Construction.--Nothing in this act shall be construed to
17 require a well operator to pay for a coal pillar required by law
18 to be left around a well drilled prior to April 18, 1985. A
19 requirement for a coal operator to leave a pillar of coal of a
20 certain size around a well drilled after April 18, 1985, shall
21 not in any way affect:

22 (1) the rights which the coal operator would have had
23 prior to April 18, 1985, to obtain payment for the coal; or

24 (2) any duty or right which the well operator or land
25 owner may have had prior to April 18, 1985, to pay for or not
26 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 316. Bonding.

10 (a) General rule.--

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

1 this act, after which time the bond amount may be adjusted by
2 the Environmental Quality Board every two years to reflect
3 the projected costs to the Commonwealth of performing well
4 plugging.

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

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

24 (i) cash;

25 (ii) certificates of deposit or automatically
26 renewable irrevocable letters of credit, from financial
27 institutions chartered or authorized to do business in
28 this Commonwealth and regulated and examined by the
29 Commonwealth or a Federal agency, which may be terminated
30 at the end of a term only upon 90 days' prior written

1 notice by the financial institution to the permittee and
2 the department;

3 (iii) negotiable bonds of the United States
4 Government or the Commonwealth, the Pennsylvania Turnpike
5 Commission, the General State Authority, the State Public
6 School Building Authority or any municipality within the
7 Commonwealth; or

8 (iv) United States Treasury Bonds issued at a
9 discount without a regular schedule of interest payments
10 to maturity, otherwise known as Zero Coupon Bonds, having
11 a maturity date of not more than 10 years after the date
12 of purchase and at the maturity date having a value of
13 not less than the applicable amount under paragraph (1).
14 The cash deposit, certificate of deposit, amount of the
15 irrevocable letter of credit or market value of the
16 securities shall be equal at least to the sum of the
17 bond.

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

24 (5) The State Treasurer shall at all times be
25 responsible for custody and safekeeping of deposits. The
26 operator making the deposit shall be entitled from time to
27 time to demand and receive from the State Treasurer, on the
28 written order of the secretary, the whole or any portion of
29 collateral deposited, upon depositing with the State
30 Treasurer, in lieu of that collateral, other collateral of

1 classes specified in this section having a market value at
2 least equal to the sum of the bond, and also to demand,
3 receive and recover the interest and income from the
4 negotiable bonds as they become due and payable.

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

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

18 (b) Release.--No bond shall be fully released until the
19 requirements of subsection (a) and section 314 have been fully
20 met. Upon release of bonds and collateral under this section,
21 the State Treasurer shall immediately return to the owner the
22 specified amount of cash or securities.

23 (c) Noncompliance.--If a well owner or operator fails or
24 refuses to comply with subsection (a), regulations promulgated
25 under this chapter or conditions of a permit relating to this
26 chapter, the department may declare the bond forfeited and shall
27 certify the same to the Attorney General, who shall proceed to
28 enforce and collect the full amount of the bond and, if the well
29 owner or operator has deposited cash or securities as collateral
30 in lieu of a corporate surety, the department shall declare the

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

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

25 (e) Change of law.--Owners or operators who have failed to
26 meet the requirements of this section prior to August 1, 1992,
27 shall not be required to make payments under this section on a
28 retroactive basis as a condition of obtaining a permit under
29 this chapter, nor shall the failure be deemed a violation of
30 this chapter.

1 CHAPTER 5

2 ENFORCEMENT AND REMEDY

3 Section 501. Conferences.

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

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

26 Section 502. Public nuisances.

27 A violation of section 307, 308, 309 or 311, or a regulation,
28 order, term or condition of a permit relating to any of those
29 sections constitutes a public nuisance.

30 Section 503. Enforcement orders.

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

8 (b) Suspension and revocation.--

9 (1) The department may suspend or revoke a well permit
10 or well registration for any well in continuing violation of
11 one of the following for which the likely result of the
12 violation is an unsafe operation or environmental damage:

13 (i) This chapter.

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

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

18 (iv) Any other statute administered by the
19 department.

20 (2) A suspension order of the department shall
21 automatically terminate if the violation upon which it is
22 based is corrected by the operator to the satisfaction of the
23 department in order to bring the well into compliance with
24 this chapter.

25 (c) Written notice.--Prior to suspension or revocation of a
26 well permit or registration, the department shall serve written
27 notice on the well operator or its agent, stating specifically
28 the statutory provision, regulation or other reason relied upon,
29 along with factual circumstances surrounding the alleged
30 violation. If the department suspends or revokes the permit or

1 registration, the department may order the operator to cap the
2 well if the likely result of the violation is an unsafe
3 operation or environmental damage.

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

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

11 Section 504. Restraining violations.

12 (a) General rule.--In addition to any other remedy provided
13 in this chapter, the department may institute a suit in equity
14 in the name of the Commonwealth for an injunction to restrain a
15 violation of this chapter or rules, regulations, standards or
16 orders adopted or issued under this chapter and to restrain the
17 maintenance or threat of a public nuisance. Upon motion of the
18 Commonwealth, the court shall issue a prohibitory or mandatory
19 preliminary injunction if it finds that the defendant is
20 engaging in unlawful conduct, as defined by this chapter, or
21 conduct causing immediate and irreparable harm to the public.
22 The Commonwealth shall not be required to furnish bond or other
23 security in connection with the proceeding. In addition to an
24 injunction, the court in equity may level civil penalties as
25 specified in section 507.

26 (b) District attorney.--In addition to other remedies in
27 this chapter, upon relation of the district attorney of a county
28 affected or upon relation of the solicitor of a municipality
29 affected, an action in equity may be brought in a court of
30 competent jurisdiction for an injunction to restrain a violation

1 of this chapter or rules and regulations promulgated under this
2 chapter or to restrain a public nuisance or detriment to health.

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

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

11 Section 505. Well control emergency response cost recovery.

12 A person liable for a well control emergency is responsible
13 for all response costs incurred by the department for well
14 control specialists to respond to the well control emergency. In
15 an action before a court of competent jurisdiction, the
16 department may recover all its response costs, including the
17 cost of regaining control of the well, controlling the perimeter
18 of the well site, preparing water sprays, establishing trenches
19 or dikes to capture runoff fluids and providing the resources
20 and equipment needs for the incident.

21 Section 506. Penalties.

22 (a) General violation.--A person violating a provision of
23 this chapter commits a summary offense and, upon conviction,
24 shall be sentenced to pay a fine of not more than \$500 or to
25 imprisonment of not more than 90 days, or both. Each day during
26 which the violation continues is a separate and distinct
27 offense.

28 (b) Willful violation.--A person willfully violating a
29 provision of this chapter or an order of the department issued
30 under this chapter commits a misdemeanor and, upon conviction,

1 shall be sentenced to pay a fine of not more than \$5,000 or to
2 imprisonment of not more than one year, or both. Each day during
3 which the violation continues is a separate and distinct
4 offense.

5 (c) Authority.--The department may institute a prosecution
6 against any person or municipality for a violation of this
7 chapter.

8 Section 507. Civil penalties.

9 In addition to other remedies available at law or in equity
10 for a violation of this chapter, a regulation of the department,
11 a departmental order or a permit condition, the department,
12 after a hearing, may assess a civil penalty regardless of
13 whether the violation was willful. The penalty shall not exceed
14 \$25,000 plus \$1,000 for each day during which the violation
15 continues. In determining whether to assess a penalty or the
16 amount of the penalty, the department shall consider willfulness
17 of the violation, damage or injury to natural resources of this
18 Commonwealth or their uses, endangerment of safety of others,
19 the cost of remedying the harm, savings resulting to the
20 violator as a result of the violation, whether the operator
21 voluntarily plugged an orphan or abandoned well and any other
22 relevant factor. When the department proposes to assess a civil
23 penalty, it shall notify the person of the proposed amount of
24 the penalty. The person charged with the penalty must, within 30
25 days of notification, pay the proposed penalty in full or file
26 an appeal of the assessment with the Environmental Hearing
27 Board. Failure to comply with the time period under this section
28 shall result in a waiver of all legal rights to contest the
29 violation or the amount of the penalty. The civil penalty shall
30 be payable to the Commonwealth and collectible in any manner

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

13 Section 508. Existing rights and remedies preserved and
14 cumulative remedies authorized.

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

1 an action to abate a private or public nuisance instituted by
2 any person on grounds that the nuisance constitutes air or water
3 pollution.

4 Section 509. Inspection and production of materials, witnesses,
5 depositions and rights of entry.

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

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

24 (1) there is probable cause to believe that the object
25 of the investigation is subject to regulation under this
26 chapter; and

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

29 (c) Witnesses.--In any part of this Commonwealth, the
30 department may subpoena witnesses, administer oaths, examine

1 witnesses, take testimony and compel production of books,
2 records, maps, plats, papers, documents and other writings
3 pertinent to proceedings or investigations conducted by the
4 department under this chapter. Upon refusal to obey a subpoena
5 by any person and on application of the department, a court may
6 enforce a subpoena in contempt proceedings. Fees for serving a
7 subpoena shall be the same as those paid to sheriffs for similar
8 services.

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

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

20 (f) Purchasers.--Upon request, a purchaser of oil or gas
21 shall provide the department information necessary to determine
22 ownership of facilities from which the purchaser obtained oil or
23 gas. The information shall be kept confidential for a period of
24 five years, and the department may utilize it in enforcement
25 proceedings. The department may request information under this
26 section only when a well does not comply with section 301.
27 Section 510. Unlawful conduct.

28 It shall be unlawful for any person to:

29 (1) Drill, alter, operate or utilize an oil or gas well
30 without a permit or registration from the department as

1 required by this chapter or in violation of rules or
2 regulations adopted under this chapter, orders of the
3 department or a term or condition of a permit issued by the
4 department.

5 (2) Conduct an activity related to drilling for or
6 production of oil and gas:

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

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

14 (3) Refuse, obstruct, delay or threaten an agent or
15 employee of the department acting in the course of lawful
16 performance of a duty under this chapter, 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 abandonment of a well by removal of casing or
22 equipment necessary for production without plugging the well
23 in the manner prescribed under section 311, except that the
24 owner or operator of a well may temporarily remove casing or
25 equipment necessary for production, but only if it is part of
26 the normal course of production activities.

27 Section 511. Collection of fines and penalties.

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

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

11 Section 512. Third party liability.

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

17 Section 513. Inspection reports.

18 The department shall post inspection reports on its publicly
19 accessible Internet website. The inspection reports shall
20 include:

- 21 (1) The nature and description of violations.
- 22 (2) The operator's written response to the violation, if
23 available.
- 24 (3) The status of the violation.
- 25 (4) The remedial steps taken by the operator or the
26 department to address the violation.

27 CHAPTER 7

28 MISCELLANEOUS PROVISIONS

29 Section 701. Well plugging funds.

30 (a) Appropriation.--Fines and civil penalties collected

1 under this chapter shall be deposited into the Abandoned Well
2 Plugging Fund established under subsection (b). Permit fees
3 collected under this chapter are appropriated to the department
4 to carry out the purposes of this chapter.

5 (b) Surcharge.--To aid in indemnifying the Commonwealth for
6 the cost of plugging abandoned wells, a \$50 surcharge is added
7 to the permit fee established by the department under section
8 301 for new wells. Money collected as a result of the surcharge
9 shall be paid into a restricted revenue account in the State
10 Treasury to be known as the Abandoned Well Plugging Fund and
11 expended by the department to plug abandoned wells threatening
12 the health and safety of persons or property or pollution of
13 waters of the Commonwealth.

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

15 (1) A restricted revenue account to be known as the
16 Orphan Well Plugging Fund is created. A \$100 surcharge for
17 wells to be drilled for oil production and a \$200 surcharge
18 for wells to be drilled for gas production are added to the
19 permit fee established by the department under section 301
20 for new wells. The surcharges shall be placed in the Orphan
21 Well Plugging Fund and expended by the department to plug
22 orphan wells. If an operator rehabilitates a well abandoned
23 by another operator or an orphan well, the permit fee and the
24 surcharge for the well shall be waived.

25 (2) The department shall study its experience in
26 implementing this section and shall report its findings to
27 the Governor and the General Assembly by one year after
28 promulgation. The report shall contain information relating
29 to the balance of the fund, number of wells plugged, number
30 of identified wells eligible for plugging and recommendations

1 as to alternative funding mechanisms.

2 Section 702. (Reserved).

3 Section 703. Effect on department authority.

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

12 Section 704. Relationship to solid waste, surface mining,
13 underground injection wells, storage tanks and spill
14 reporting.

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

26 (1) the well is permitted under the requirements of
27 section 301 or registered under 303;

28 (2) the owner or operator has satisfied the financial
29 security requirements of section 316 by obtaining a surety or
30 collateral bond for the well and well site; and

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

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

15 (c) Solid Waste Management Act.--This section does not
16 diminish or otherwise affect duties or obligations of an owner
17 or operator under the Solid Waste Management Act. This section
18 does not apply to waste classified as hazardous waste under the
19 Solid Waste Management Act or the Resource Conservation and
20 Recovery Act of 1976 (Public Law 94-580, 90 Stat. 2795, 42
21 U.S.C. § 6901 et seq.).

22 (d) Class II injection wells.--Notwithstanding any provision
23 of law to the contrary, Class II well permits issued by the
24 Environmental Protection Agency pursuant to the Safe Drinking
25 Water Act (Public Law 93-523, 21 U.S.C. § 349 and 42 U.S.C. §§
26 201 and 300f et seq.) shall be deemed to satisfy the
27 department's obligation to consider potential pollution
28 resulting from underground injection or disposal to the wells.
29 Unless or until the Commonwealth takes primacy of the Class II
30 Underground Injection Control (UIC) program, the department's

1 review and approval, if any, of injection wells shall be limited
2 to a review of surface activities related to construction,
3 modification, operation or closure of the well and confirmation
4 that the well is constructed in accordance with this act.

5 (e) Storage tanks.--Aboveground storage tanks regulated
6 under this act and used to store brines, crude oil, drilling or
7 hydraulic fracturing fluids and similar substances or materials
8 and are directly related to the exploration, development or
9 production of crude oil or natural gas regulated under this act,
10 as well as liquid traps and associated gathering lines directly
11 related to oil or gas production and gathering operations, are
12 exempt from the obligations under the act of July 6, 1989
13 (P.L.169, No.32), known as the Storage Tank and Spill Prevention
14 Act, and any rule or regulation promulgated under the Storage
15 Tank and Spill Prevention Act.

16 (f) Spill reporting.--The following apply to spills onto the
17 ground at a well site:

18 (1) The following spills must be reported within two
19 hours of discovery:

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

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

25 (2) Spills of less than 5 barrels of oil or less than 15
26 barrels of brine need not be reported unless it would
27 endanger downstream users of waters of this Commonwealth,
28 would otherwise result in pollution or create a danger of
29 pollution of waters or would damage property.

30 Section 705. Relationship to the Coal and Gas Resource

1 Coordination Act.

2 (a) Application.--The requirements under section 5 of the
3 act of December 18, 1984 (P.L.1069, No.214), known as the Coal
4 and Gas Resource Coordination Act, for the issuance of a permit
5 under the former act of December 19, 1984 (P.L.1140, No.223),
6 known as the Oil and Gas Act, shall apply to this act.

7 (b) Construction.--Nothing in this act shall be construed to
8 change, repeal or otherwise affect the provisions of the Coal
9 and Gas Resource Coordination Act.

10 Section 706. Local ordinances.

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

25 Section 707. Beneficial use of produced water.

26 (a) Road application plans.--

27 (1) A person may apply produced water to unpaved roads
28 as a dust suppressant and road stabilizer in accordance with
29 a road application plan approved by the department. This
30 section does not authorize the use of produced water for

1 prewetting, anti-icing or de-icing of roads.

2 (2) The department shall approve a road application plan
3 that reasonably provides for the protection of the
4 environment and the prevention of pollution. With respect to
5 any aspect of water quality, applicants may rely on regional
6 characterization of the produced water. The department may
7 not impose conditions requiring produced water to exceed the
8 physical character or chemical composition of a commercial
9 product for which the produced water is an effective
10 substitute. Persons engaged in the beneficial use of produced
11 water shall maintain records and make reports as the
12 department requires.

13 (3) A proposed road application plan shall be prepared
14 on forms provided by the department and shall include
15 information required by the department to administer this
16 section.

17 (4) Produced water may not be applied:

18 (i) within 150 feet of bodies of water or
19 watercourses, except roadside ditches;

20 (ii) within Zone I or Zone II of a wellhead
21 protection area designated as part of a wellhead
22 protection program approved under the act of May 1, 1984
23 (P.L.206, No.43), known as the Pennsylvania Safe Drinking
24 Water Act;

25 (iii) to sections of an unpaved road having a grade
26 exceeding 10%; or

27 (iv) to concrete, asphalt or other impervious
28 surfaces.

29 (5) The department's approval of a road application plan
30 does not authorize the discharge of produced water to the

1 waters of the Commonwealth.

2 (6) Produced water that is transported, managed, stored
3 and applied on unpaved roads in compliance with a road
4 application plan approved by the department under this
5 section is not regulated as a solid waste under the act of
6 July 7, 1980 (P.L.380, No.97), known as the Solid Waste
7 Management Act.

8 (b) Temporary regulations.--

9 (1) In order to facilitate the prompt implementation of
10 this act, the department may address the beneficial use of
11 produced water by establishing temporary regulations not
12 subject to:

13 (i) Sections 201, 202, 203, 204 and 205 of the act
14 of July 31, 1968 (P.L.769, No.240), referred to as the
15 Commonwealth Documents Law;

16 (ii) The act of June 25, 1982 (P.L.633, No.181),
17 known as the Regulatory Review Act;

18 (iii) Section 204(b) and 301(10) of the act of
19 October 15, 1980 (P.L.950, No.164), known as the
20 Commonwealth Attorneys Act; and

21 (iv) Sections 232 and 1920-A of the act of April 9,
22 1929 (P.L.177, No.175), known as The Administrative Code
23 of 1929;

24 (2) The department's authority to establish temporary
25 regulations under this section shall expire two years after
26 the effective date of this section. Regulations adopted after
27 this period shall be promulgated by the Environmental Quality
28 Board as provided by law.

29 (c) Powers and duties.--The department shall have the power
30 and duty to:

1 (1) approve, disapprove and conditionally approve of
2 road application plans;

3 (2) charge fees associated with the review of road
4 application plans; and

5 (3) suspend or revoke approval of any road application
6 plan, conduct inspections and abate public nuisances to
7 implement the purposes and provisions of this act and the
8 rules, regulations and standards adopted pursuant to this
9 act.

10 (d) Secondary products from produced water.--Notwithstanding
11 any provision of law to the contrary and to promote beneficial
12 uses and legitimate recycling, material derived from produced
13 water from conventional formations, including, but not limited
14 to, salt, is not waste if:

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

18 (2) the use of the material presents no greater threat
19 of harm to human health and the environment than the use of
20 the product or raw material.

21 Section 708. Permit fee.

22 Each application for a well permit issued under this act or
23 58 Pa.C.S. (relating to oil and gas) shall be accompanied by a
24 permit fee, established by the Environmental Quality Board,
25 which bears a reasonable relationship to the cost of
26 administering this act and 58 Pa.C.S.

27 Section 709. Appropriation.

28 The sum of \$5,000,000 is hereby appropriated from the General
29 Fund to the Department of Environmental Protection to meet the
30 department's obligations with respect to the conventional oil

1 and natural gas industry.

2 Section 709.1. Annual budget submission.

3 The Governor shall include in the budget submitted to the
4 General Assembly each year under section 613 of the act of April
5 9, 1929 (P.L.177, No.175), known as The Administrative Code of
6 1929, a request for a separate line item of not less than
7 \$5,000,000 to the Department of Environmental Protection for the
8 sole purpose of meeting the department's obligations with
9 respect to the conventional oil and gas industry.

10 Section 710. Regulations.

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

22 Section 711. Repeals.

23 The provisions of 58 Pa.C.S. (relating to oil and gas) are
24 repealed insofar as they relate to conventional wells with the
25 exception of underground gas storage requirements in 58 Pa.C.S.
26 Ch. 32 Subch. C (relating to underground gas storage).

27 Section 712. 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 act.

14 Section 713. Effective date.

15 This act shall take effect immediately.