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

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

PART I

(RESERVED)

PART II

Oversight and Development

Chapter

23. Drilling Impact Fee
CHAPTER 23

DRILLING IMPACT FEE

SEC.

2301. DEFINITIONS.
2302. SHALE IMPACT FEE.
2303. ADMINISTRATION.
2304. WELL INFORMATION.
2305. DUTIES OF DEPARTMENT.
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2309. ENFORCEMENT ORDERS.
2310. ADMINISTRATIVE PENALTIES.
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2312. RECORDKEEPING.
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2316. DIVERSE BUSINESS PARTICIPATION.
2317. APPLICABILITY.
2318. EXPIRATION.

§ 2301. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
CONTEXT CLEARLY INDICATES OTHERWISE:
ACCOUNT." THE SHALE IMPACT ACCOUNT.


"COMMISSION." THE PENNSYLVANIA PUBLIC UTILITY COMMISSION.

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

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

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


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

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

"NATURAL GAS LIQUIDS." HYDROCARBONS IN NATURAL GAS WHICH ARE
SEPARATED FROM THE GAS AS LIQUIDS THROUGH THE PROCESS OF
ABSORPTION, CONDENSATION, ADSORPTION OR OTHER METHODS IN GAS
PROCESSING OF CYCLING PLANTS.

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

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

(1) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS LESS
    THAN $5.01, THE PRICE ADJUSTMENT FACTOR SHALL BE 1.0.
(2) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS $5.01
    TO $6.00, THE PRICE ADJUSTMENT FACTOR SHALL BE 1.25.
(3) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS $6.01
    TO $7.00, THE PRICE ADJUSTMENT FACTOR SHALL BE 1.75.
(4) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS $7.01
    TO $8.00, THE PRICE ADJUSTMENT FACTOR SHALL BE 2.25.
(5) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS
    GREATER THAN $8.00, THE PRICE ADJUSTMENT FACTOR SHALL BE
    2.75.

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

"STRIPPER WELL." A GAS WELL INCAPABLE OF PRODUCING MORE THAN
90,000 CUBIC FEET OF GAS PER DAY DURING A CALENDAR MONTH,
INCLUDING PRODUCTION FROM ALL ZONES AND MULTILATERAL WELL BORES
AT A SINGLE WELL, WITHOUT REGARD TO WHETHER THE PRODUCTION IS
SEPARATELY METERED.

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

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

"VERTICAL GAS WELL." AN UNCONVENTIONAL WELL WHICH BEGINS AS
A VERTICAL LINEAR BORE AND IS NOT INTENTIONALLY DEVIATED FROM
THE VERTICAL.
§ 2302. SHALE IMPACT FEE.

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

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

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

(2) FOR THE SECOND YEAR OF PRODUCTION, THE FEE SHALL BE
$40,000.
(3) For the third year of production, the fee shall be $30,000.

(4) For the fourth year of production through the tenth year of production, the fee shall be $20,000.

(5) For the eleventh year of production through the twentieth year, the fee shall be $10,000.

(C) Annual Adjustment.--

(1) The fee shall be adjusted by multiplying the base fee amount times the price adjustment factor rounded to the nearest $100.

(2) The fee for a vertical gas well shall not be subject to adjustment under paragraph (1) and shall be computed as follows:

(I) The fee for a vertical gas well capable of producing more than 180,000 cubic feet of gas per day during a calendar month shall be one-half of the amounts under subsection (B).

(II) The fee for a vertical gas well capable of producing more than 90,000 but less than 180,000 cubic feet of gas per day during a calendar month shall be one-fourth of the amounts under subsection (B).

(D) Re-stimulated Wells.--

(1) A well which after re-stimulation qualifies as a stripper well shall not be subject to this subsection.

(2) The year in which the re-stimulation occurs shall be considered the first year of production for purposes of imposing the fee under subsection (B) if:

(I) A producer re-stimulates a previously stimulated unconventional well following the tenth year of production by:
(A) Hydraulic Fracture Treatments;
(B) Using additional multilateral well bores;
(C) Drilling deeper into an unconventional formation; or
(D) Other techniques to expose more of the formation of the well bore; and

(II) The re-stimulation results in a substantial increase in production.

(3) As used in this subsection, the term "substantial increase in production" means an increase in production amounting to more than 90,000 cubic feet of gas per day during a calendar month.

(D.1) Reopened Wells.—If a producer reopens a previously capped well or unconventional well and places the well into production, all of the following apply:

(1) The years during which the well or unconventional well was capped shall not be considered as a year of production.

(2) The fee shall be reinstated based upon the actual year of production under subsections (B) and (D).

(E) Cessation.—Payments of the annual fee shall cease upon certification to the department by the operator that the unconventional well has ceased production and has been plugged according to the regulations established by the department.

§ 2303. Administration.

(A) Commission.—On or before January 31 of each year, the commission shall calculate and determine the average annual price of natural gas for the previous calendar year.

(B) Notice.—Notice of the average annual price and the annual fee schedule per well shall be provided to producers.
OPERATING UNCONVENTIONAL WELLS AND SHALL BE PUBLISHED ON THE COMMISSION'S INTERNET WEBSITE.

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

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

1. ANNUAL UNITS OF PRODUCTION SEVERED BY THE PRODUCER FOR EACH UNCONVENTIONAL WELL FOR THE REPORTING PERIOD.
2. THE NUMBER OF PRODUCING UNCONVENTIONAL WELLS OF A PRODUCER IN EACH COUNTY AND MUNICIPALITY.

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

1. FIFTY PERCENT OF THE FEE SHALL BE PAID BY MARCH 1, 2012.
2. FIFTY PERCENT OF THE FEE SHALL BE PAID BY JUNE 1, 2012.

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

(1) Within 30 days of the effective date of this subsection, and each year thereafter, the Commission may impose an annual fee not to exceed $100 per well on each reporting producer to pay for the actual costs of the Commission to administer and enforce this chapter and chapter 25 (relating to natural gas energy development program).

(2) By March 31, 2012 and each year thereafter, the Commission shall determine for the preceding calendar year the amount of its actual expenditures directly attributable to the administration and enforcement of this chapter and chapter 25. The Commission shall subtract the amount of fees collected under paragraph (1) in that calendar year and assess any remaining balance on all producers subject to the impact fee in proportion to the number of wells owned by each producer.

(3) Each producer shall be assessed for and shall pay to the Commission that proportion of the amount determined under paragraph (2) and allocated to the producer for that year.

§ 2304. WELL INFORMATION.

(A) List.--Within 30 days of the effective date of this section, the Department shall provide the Commission with a list of all unconventional wells that have received a drilling permit from the Department. The Department shall update the list and provide it to the Commission on a monthly basis.

(B) Updates.--A producer subject to the fee shall notify the Commission of the following within 30 days after a calendar month in which the change occurs:

(1) the initiation of production at an unconventional well.
§ 2305. DUTIES OF DEPARTMENT.

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

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

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

§ 2306. (RESERVED).

§ 2307. COMMISSION.

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

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

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

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

(E) INTENT.--IF NO REPORT IS FILED OR A PRODUCER FILES A
FALSE OR FRAUDULENT REPORT WITH THE INTENT TO EVADE THE FEE, AN
ASSESSMENT OF THE AMOUNT OWED MAY BE MADE AT ANY TIME.
§ 2308. ENFORCEMENT.
(A) ASSESSMENT.--THE COMMISSION SHALL ASSESS INTEREST ON ANY
DELINQUENT FEE AT THE RATE DETERMINED UNDER SECTION 2307(A)
(RELATING TO COMMISSION).
(B) PENALTY.--IN ADDITION TO THE ASSESSED INTEREST UNDER
SUBSECTION (A), IF A PRODUCER FAILS TO MAKE TIMELY PAYMENT OF
THE FEE, THERE SHALL BE ADDED TO THE AMOUNT OF THE FEE DUE A
PENALTY OF 5% OF THE AMOUNT OF THE FEE IF FAILURE TO FILE A
TIMELY PAYMENT IS FOR NOT MORE THAN ONE MONTH, WITH AN
ADDITIONAL 5% PENALTY FOR EACH ADDITIONAL MONTH, OR FRACTION OF
A MONTH, DURING WHICH THE FAILURE CONTINUES, NOT TO EXCEED 25%
IN THE AGGREGATE.
(C) TIMELY PAYMENT.--IF THE COMMISSION DETERMINES THAT A
PRODUCER HAS NOT MADE A TIMELY PAYMENT OF THE FEE, THE
COMMISSION SHALL SEND A WRITTEN NOTICE OF THE AMOUNT OF THE
DEFICIENCY TO THE PRODUCER WITHIN 30 DAYS FROM THE DATE OF
DETERMINING THE DEFICIENCY. THE COMMISSION SHALL NOTIFY THE
DEPARTMENT OF A PRODUCER THAT HAS FAILED TO PAY THE FEE FOR ANY
PRODUCING WELL UNDER SECTION 2302 (RELATING TO SHALE IMPACT
FEE). IF THE PRODUCER DOES NOT HAVE A PENDING APPEAL RELATED TO
PAYMENT OF THE FEE IN PROCESS, THE DEPARTMENT SHALL SUSPEND THE
PERMIT FOR THAT WELL UNTIL THE FEE HAS BEEN PAID.
(D) REMEDIES.--THE REMEDIES PROVIDED UNDER THIS CHAPTER ARE
IN ADDITION TO ANY OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY.
(E) LIEN.--FINES, FEES, INTEREST AND PENALTIES SHALL BE
COLLECTIBLE AS AUTHORIZED BY LAW FOR THE COLLECTION OF DEBTS. IF

§ 2309. ENFORCEMENT ORDERS.

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

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

§ 2310. ADMINISTRATIVE PENALTIES.

(A) CIVIL PENALTIES.--IN ADDITION TO ANY OTHER PROCEEDING AUTHORIZED BY LAW, THE COMMISSION MAY ASSESS A CIVIL PENALTY NOT TO EXCEED $2,500 PER VIOLATION UPON A PRODUCER FOR THE VIOLATION
OF THIS CHAPTER. IN DETERMINING THE AMOUNT OF THE PENALTY, THE
COMMISSION SHALL CONSIDER THE WILLFULNESS OF THE VIOLATION AND
OTHER RELEVANT FACTORS.

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

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

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

§ 2311. (RESERVED).

§ 2312. RECORDKEEPING.
A PRODUCER LIABLE FOR THE FEE UNDER THIS CHAPTER OR THE
ASSESSMENT UNDER CHAPTER 25 (RELATING TO NATURAL GAS ENERGY
DEVELOPMENT PROGRAM) SHALL KEEP RECORDS, MAKE REPORTS AND COMPLY
WITH REGULATIONS OF THE COMMISSION. THE COMMISSION MAY REQUIRE A
PRODUCER TO MAKE REPORTS, RENDER STATEMENTS OR KEEP RECORDS AS
THE COMMISSION DEEMS SUFFICIENT TO DETERMINE LIABILITY FOR THE
FEE.

§ 2313. EXAMINATIONS.

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

(1) HAVE ACCESS TO THE RELEVANT BOOKS, PAPERS AND
RECORDS OF ANY PRODUCER IN ORDER TO VERIFY THE ACCURACY AND
COMPLETENESS OF A REPORT FILED OR FEE PAID UNDER THIS CHAPTER
OR THE ASSESSMENT UNDER CHAPTER 25 (RELATING TO NATURAL GAS
ENERGY DEVELOPMENT PROGRAM).
(2) REQUIRE THE PRESERVATION OF ALL RELEVANT BOOKS, PAPERS AND RECORDS FOR AN APPROPRIATE PERIOD NOT TO EXCEED THREE YEARS FROM THE END OF THE CALENDAR YEAR TO WHICH THE RECORDS RELATE.

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

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

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

§ 2314. DISTRIBUTION OF FEE.

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

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

(C) CONSERVATION DISTRICTS.--

(1) FROM FEES COLLECTED FOR 2011, $2,500,000 FROM THE ACCOUNT SHALL BE DISTRIBUTED TO COUNTY CONSERVATION DISTRICTS.
(2) FROM FEES COLLECTED FOR 2012 AND EVERY YEAR THEREAFTER, $5,000,000 FROM THE ACCOUNT SHALL BE DISTRIBUTED TO COUNTY CONSERVATION DISTRICTS.

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

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


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

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

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

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

(II) TO PROVIDE GRANTS TO FIRE DEPARTMENTS FOR THE PURCHASE OF SPECIAL EQUIPMENT REQUIRED TO RESPOND TO FIRES AND OTHER EMERGENCIES RELATED TO THE PRODUCTION, PROCESSING AND TRANSPORTATION OF NATURAL GAS OR NATURAL GAS LIQUIDS.
(C.2) PENNSYLVANIA FISH AND BOAT COMMISSION.--FROM FEES COLLECTED FOR 2011 AND EACH YEAR THEREAFTER, $1,500,000 SHALL BE DISTRIBUTED TO THE PENNSYLVANIA FISH AND BOAT COMMISSION FOR COSTS RELATING TO THE REVIEW OF APPLICATIONS FOR PERMITS TO DRILL UNCONVENTIONAL WELLS.

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

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

(2) THIRTY-SEVEN PERCENT SHALL BE DISTRIBUTED TO MUNICIPALITIES IN WHICH PRODUCING UNCONVENTIONAL WELLS ARE LOCATED. THE AMOUNT FOR EACH MUNICIPALITY SHALL BE DETERMINED USING A FORMULA THAT DIVIDES THE NUMBER OF PRODUCING UNCONVENTIONAL GAS WELLS IN THE MUNICIPALITY BY THE NUMBER OF PRODUCING UNCONVENTIONAL WELLS IN THIS COMMONWEALTH AND MULTIPLIES THE RESULTING PERCENTAGE BY THE AMOUNT AVAILABLE FOR DISTRIBUTION UNDER THIS PARAGRAPH.
(3) Twenty-seventy percent shall be distributed to municipalities located in a county in which producing unconventional wells are located. The amount available for distribution in each county shall be determined by dividing the number of producing unconventional wells in the county by the number of producing unconventional wells in this Commonwealth and multiplying the resulting percentage by the amount available for distribution under this paragraph. The resulting amount available for distribution in each county in which producing unconventional wells are located shall be distributed to each municipality in the county as follows:

(I) Fifty percent of the amount available under this paragraph shall be distributed to municipalities in which producing unconventional wells are located and to municipalities that are either contiguous with a municipality in which producing unconventional wells are located or are located within five linear miles of a producing unconventional well. The distribution shall be made as follows:

(A) One-half shall be distributed to each eligible municipality using a formula that divides the population of the eligible municipality within the county by the total population of all eligible municipalities within the county and multiplies the resulting percentage by the amount allocated to the county under this subparagraph.

(B) One-half shall be distributed to each eligible municipality using a formula that divides the highway mileage of the eligible municipality within the county by the total highway mileage of all
ELIGIBLE MUNICIPALITIES WITHIN THE COUNTY AND MULTIPLIES THE RESULTING PERCENTAGE BY THE AMOUNT ALLOCATED TO THE COUNTY UNDER THIS SUBPARAGRAPH.

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

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

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

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

(D.2) HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND.--
(1) FROM FEES COLLECTED FOR 2011, $2,500,000 FROM THE
ACCOUNT SHALL BE DISTRIBUTED TO THE HOUSING AFFORDABILITY AND
REHABILITATION ENHANCEMENT FUND UNDER THE ACT OF NOVEMBER 23,
2010 (P.L.1035, NO.105), ENTITLED "AN ACT AMENDING THE ACT OF
DECEMBER 3, 1959 (P.L.1688, NO.621), ENTITLED, AS AMENDED,
'AN ACT TO PROMOTE THE HEALTH, SAFETY AND WELFARE OF THE
PEOPLE OF THE COMMONWEALTH BY BROADENING THE MARKET FOR
HOUSING FOR PERSONS AND FAMILIES OF LOW AND MODERATE INCOME
AND ALLEVIATING SHORTAGES THEREOF, AND BY ASSISTING IN THE
PROVISION OF HOUSING FOR ELDERLY PERSONS THROUGH THE CREATION
OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AS A PUBLIC
CORPORATION AND GOVERNMENT INSTRUMENTALITY; PROVIDING FOR THE
ORGANIZATION, MEMBERSHIP AND ADMINISTRATION OF THE AGENCY,
PREScribing ITS GENERAL POWERS AND DUTIES AND THE MANNER IN
WHICH ITS FUNDS ARE KEPT AND AUDITED, EMPOWERING THE AGENCY
TO MAKE HOUSING LOANS TO QUALIFIED MORTGAGORS UPON THE
SECURITY OF INSURED AND UNINSURED MORTGAGES, DEFINING
QUALIFIED MORTGAGORS AND PROVIDING FOR PRIORITIES AMONG
TENANTS IN CERTAIN INSTANCES, PREscribing INTEREST RATES AND
OTHER TERMS OF HOUSING LOANS, PERMITTING THE AGENCY TO
ACQUIRE REAL OR PERSONAL PROPERTY, PERMITTING THE AGENCY TO
MAKE AGREEMENTS WITH FINANCIAL INSTITUTIONS AND FEDERAL
AGENCIES, PROVIDING FOR THE PURCHASE BY PERSONS OF LOW AND
MODERATE INCOME OF HOUSING UNITS, AND APPROVING THE SALE OF
HOUSING UNITS, PERMITTING THE AGENCY TO SELL HOUSING LOANS,
PROVIDING FOR THE PROMULGATION OF REGULATIONS AND FORMS BY
THE AGENCY, PREscribing PENALTIES FOR FURNISHING FALSE
INFORMATION, EMPOWERING THE AGENCY TO BORROW MONEY UPON ITS
OWN CREDIT BY THE ISSUANCE AND SALE OF BONDS AND NOTES AND BY
GIVING SECURITY THEREFOR, PERMITTING THE REFUNDING,
REDEMPTION AND PURCHASE OF SUCH OBLIGATIONS BY THE AGENCY,
PRESCRIBING REMEDIES OF HOLDERS OF SUCH BONDS AND NOTES,
EXEMPTING BONDS AND NOTES OF THE AGENCY, THE INCOME
THEREFROM, AND THE INCOME AND REVENUES OF THE AGENCY FROM
TAXATION, EXCEPT TRANSFER, DEATH AND GIFT TAXES; MAKING SUCH
BONDS AND NOTES LEGAL INVESTMENTS FOR CERTAIN PURPOSES; AND
INDICATING HOW THE ACT SHALL BECOME EFFECTIVE,' PROVIDING FOR
THE PENNSYLVANIA HOUSING AFFORDABILITY AND REHABILITATION
ENHANCEMENT PROGRAM; AND ESTABLISHING THE HOUSING
AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND." FROM FEES
COLLECTED FOR 2012, AND EACH YEAR THEREAFTER, $5,000,000
SHALL BE ANNUALLY DISTRIBUTED TO THE HOUSING AFFORDABILITY
AND REHABILITATION ENHANCEMENT FUND.

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

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

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

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

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

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UNCONVENTIONAL WELLS WITHIN THE COUNTY OR MUNICIPALITY:

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

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

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

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

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

(6) TAX REDUCTIONS, INCLUDING HOMESTEAD EXCLUSIONS.

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

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

(9) THE DELIVERY OF SOCIAL SERVICES.

(10) JUDICIAL SERVICES.

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

(F) REPORTING.--

(1) THE COMMISSION SHALL SUBMIT AN ANNUAL REPORT ON ALL
FUNDS IN THE ACCOUNT. THE REPORT SHALL INCLUDE A DETAILED
LISTING OF ALL DEPOSITS AND EXPENDITURES OF THE FUND AND BE
SUBMITTED TO THE CHAIRMAN AND THE MINORITY CHAIRMAN OF THE
APPROPRIATIONS COMMITTEE OF THE SENATE, THE CHAIRMAN AND THE
MINORITY CHAIRMAN OF THE ENVIRONMENTAL RESOURCES AND ENERGY
COMMITTEE OF THE SENATE, THE CHAIRMAN AND THE MINORITY
CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF
REPRESENTATIVES AND THE CHAIRMAN AND THE MINORITY CHAIRMAN OF
THE ENVIRONMENTAL RESOURCES AND ENERGY COMMITTEE OF THE HOUSE
OF REPRESENTATIVES. THE REPORT SHALL BE SUBMITTED BY
SEPTEMBER 30, 2012, AND BY SEPTEMBER 30 OF EACH YEAR
THEREAFTER.

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

§ 2315. STATEWIDE INITIATIVES.

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

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

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

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

(III) COMPLYING WITH THE ACT OF JANUARY 24, 1966
(1965 P.L.1535, NO.537), KNOWN AS THE PENNSYLVANIA SEWAGE
FACILITIES ACT.

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

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

(VI) WATERSHED PROGRAMS AND RELATED PROJECTS.

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

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

(A) DIVIDE:

(I) THE TOTAL POPULATION OF THE COUNTY; BY

(II) THE TOTAL POPULATION OF THE
COMMONWEALTH;

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

(C) MULTIPLY:

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

(II) THE AMOUNT OF MONEY TO BE DISTRIBUTED
UNDER THIS PARAGRAPH.

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

(III) THE DEPARTMENT OF TRANSPORTATION SHALL RELEASE
MONEY UNDER THIS PARAGRAPH UPON APPROVAL OF A PLAN
SUBMITTED BY A COUNTY OR MUNICIPALITY TO REPAIR AN AT-RISK DETERIORATED BRIDGE. THE PLAN MUST INCLUDE FUNDING FOR REPLACEMENT OR REPAIR.

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

(3) TWENTY-FIVE PERCENT FOR WATER AND SEWER PROJECTS.

FIFTY PERCENT OF THE AMOUNT DISTRIBUTED UNDER THIS PARAGRAPH SHALL BE TRANSMITTED TO THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY TO BE USED IN ACCORDANCE WITH THE ACT OF MARCH 1, 1988 (P.L.82, NO.16), KNOWN AS THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY ACT. FIFTY PERCENT OF THE AMOUNT DISTRIBUTED UNDER THIS PARAGRAPH SHALL BE DISTRIBUTED TO THE H2O PA PROGRAM TO BE USED BY THE COMMONWEALTH FINANCING AUTHORITY IN ACCORDANCE WITH SECTION 301 OF THE ACT OF JULY 9, 2008 (P.L.908, NO.63), KNOWN AS THE H2O PA ACT. THE PROHIBITION ON GRANTS FOR PROJECTS LOCATED IN A CITY OR COUNTY OF THE FIRST OR SECOND CLASS UNDER SECTION 301 OF THE H2O PA ACT SHALL NOT APPLY TO FUNDS DISTRIBUTED TO THE H2O PA PROGRAM UNDER THIS PARAGRAPH.

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

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

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

(A) DIVIDE:

(I) THE TOTAL POPULATION OF THE COUNTY; BY

(II) THE TOTAL POPULATION OF THE COMMONWEALTH.

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

(C) MULTIPLY:

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

(II) THE AMOUNT OF FUNDS AVAILABLE UNDER

THIS PARAGRAPH.

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

(6) FIVE PERCENT FOR DISTRIBUTION AS FOLLOWS:

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

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

(B) RESTRICTION ON USE OF PROCEEDS.--

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

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

(C) COORDINATION.--THE DEPARTMENT AND THE DEPARTMENT OF
CONSERVATION AND NATURAL RESOURCES SHALL REVIEW APPLICATIONS FOR FUNDING AS REQUESTED BY THE COMMONWEALTH FINANCING AUTHORITY AND PROVIDE RECOMMENDATIONS ON PRIORITY OF PROJECTS AND PROJECT APPROVAL.

§ 2316. DIVERSE BUSINESS PARTICIPATION.

(A) General Rule.--Unconventional well producers and related extraction companies, including contractors, subcontractors, professional service providers and suppliers, shall provide maximum practicable opportunities for diverse business participation.

(B) Duties.--Unconventional well producers shall do all of the following:

(1) Fully comply with the Commonwealth's contract compliance policy regarding nondiscrimination.

(2) Notify the Department of General Services' Bureau of Minority and Women Business Opportunities of contracting opportunities from diverse businesses.

(3) Use or obtain the Bureau of Minority and Women Business Opportunities' assistance in using the Department of General Services' Internet website to identify certified diverse businesses as potential sources for Marcellus Shale opportunities.

(4) Utilize the Department of General Services available source list of veteran-owned small businesses.

(C) Survey.--The Department of General Services shall conduct a survey of unconventional well producers to ascertain the extent of diverse business participation. This survey shall be completed by December 31, 2012.

(D) Report.--The Department of General Services shall submit an annual report to the Appropriations Committee of the Senate.
AND THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES
ON THE UTILIZATION OF DIVERSE BUSINESS PARTICIPATION IN THE
MARCELLUS SHALE GAS EXTRACTION INDUSTRY.

(E) DEFINITIONS.—AS USED IN THIS SECTION, THE FOLLOWING
WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:
"DIVERSE BUSINESS." MINORITY-OWNED BUSINESS, WOMEN-OWNED
BUSINESS AND VETERAN-OWNED BUSINESS AS DETERMINED BY THE
DEPARTMENT OF GENERAL SERVICES.

§ 2317. APPLICABILITY.

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

§ 2318. EXPIRATION.

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

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

CHAPTER 25
NATURAL GAS ENERGY DEVELOPMENT PROGRAM
SEC.

2501. DEFINITIONS.
2502. ASSESSMENT.
2503. PROGRAM.

§ 2501. DEFINITIONS.

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

"AUTHORITY." THE COMMONWEALTH FINANCING AUTHORITY
ESTABLISHED IN 64 PA.C.S. § 1511 (RELATING TO AUTHORITY).
"COMMISSION." AS DEFINED IN SECTION 2301 (RELATING TO DEFINITIONS).

"ELIGIBLE APPLICANT." ANY OF THE FOLLOWING:

(1) A SCHOOL DISTRICT.
(2) A COUNTY OR MUNICIPALITY.
(3) A COMMONWEALTH AUTHORITY.
(4) A MUNICIPAL AUTHORITY.
(5) THE PENNSYLVANIA TURNPIKE COMMISSION.
(6) A LOCAL TRANSPORTATION ORGANIZATION.
(7) A NONPROFIT ENTITY.
(8) A STATE-OWNED OR STATE-RELATED UNIVERSITY.

"LOCAL TRANSPORTATION ORGANIZATION." ANY OF THE FOLLOWING:

(1) A POLITICAL SUBDIVISION.
(2) A PUBLIC TRANSPORTATION AUTHORITY, PORT AUTHORITY OR REDEVELOPMENT AUTHORITY, WHICH IS:
   (I) ORGANIZED UNDER:
      (A) THE LAWS OF THIS COMMONWEALTH; OR
      (B) AN INTERSTATE COMPACT; OR
   (II) OTHERWISE EMPOWERED TO RENDER, CONTRACT TO RENDER OR ASSIST IN RENDERING TRANSPORTATION SERVICES IN A LIMITED AREA IN THIS COMMONWEALTH EVEN THOUGH IT MAY ALSO RENDER OR ASSIST IN RENDERING TRANSPORTATION SERVICE IN ADJACENT STATES.
   (3) A NONPROFIT ASSOCIATION WHICH DIRECTLY OR INDIRECTLY PROVIDES PUBLIC TRANSPORTATION SERVICE.
   (4) A NONPROFIT ASSOCIATION OF PUBLIC TRANSPORTATION PROVIDERS OPERATING WITHIN THIS COMMONWEALTH.
"MUNICIPALITY." A BOROUGH, CITY, TOWN OR TOWNSHIP.

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

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

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

§ 2502. ASSESSMENT.

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

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

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

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

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

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

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

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

(D) DEPOSIT OF FUNDS.--FUNDS RECEIVED FROM THE ASSESSMENT
UNDER THIS SECTION SHALL BE DEPOSITED BY THE COMMISSION INTO THE
RESTRICTED RECEIPTS ACCOUNT ESTABLISHED UNDER SECTION 2314(A)
(RELATING TO DISTRIBUTION OF FEE).

§ 2503. PROGRAM.

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

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

(C) PROJECTS.--

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

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

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

(III) THE CONVERSION OR REPLACEMENT OF MEDIUM AND
HEAVY DUTY VEHICLES, INCLUDING GARBAGE TRUCKS, STREET
Sweepers and PLOW TRUCKS, OPERATED BY ELIGIBLE
APPLICANTS.

(IV) THE CONSTRUCTION OF NATURAL GAS FUELING
STATIONS.

(V) THE PURCHASE AND INSTALLATION OF THE NECESSARY
NATURAL GAS FLEET REFUELING EQUIPMENT FOR VEHICLES
OPERATING ON NATURAL GAS.

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

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

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

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

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

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

(2) THE COST OF THE PROJECT.

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

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

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

(I) PROJECT REVIEW.--THE AUTHORITY SHALL REVIEW AND PREPARE
AN ASSESSMENT OF EACH APPLICATION AND DETERMINE WHICH PROJECTS
WILL BEST UTILIZE AND PROMOTE THE USE OF DOMESTICALLY PRODUCED
NATURAL GAS IN THIS COMMONWEALTH. PROJECTS SHALL BE AWARDED IN ACCORDANCE WITH 64 PA.C.S. § 1512 (RELATING TO BOARD). THE DEPARTMENT OR THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT SHALL PROVIDE TECHNICAL ASSISTANCE AS APPROPRIATE.


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

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

CHAPTER 31
(RESERVED)

CHAPTER 32
REGULATION

Subchapter

A. Preliminary Provisions
B. General Requirements
C. Underground Gas Storage
D. Eminent Domain
E. Enforcement and Remedies
F. (Reserved)
G. Miscellaneous Provisions
SUBCHAPTER A

PRELIMINARY PROVISIONS

Sec.

3201. Scope of chapter.
3202. Declaration of purpose.
3203. Definitions.

§ 3201. Scope of chapter.

This chapter relates to oil and gas.

§ 3202. Declaration of purpose.

The purposes of this chapter are to:

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

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

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

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

§ 3203. Definitions.

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

"Abandoned well." Any of the following:

(1) A well:

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

(ii) for which equipment necessary for production,

extraction or injection has been removed; or

(iii) considered dry and not equipped for production

within 60 days after drilling, redrilling or deepening.

(2) The term does not include wells granted inactive

status.

"Alteration." An operation which changes the physical

characteristics of a well bore, including stimulation or

removing, repairing or changing the casing. For the purpose of

this chapter, the term does not include:

(1) Repairing or replacing of the casing if the

operation does not affect the depth or diameter of the well

bore, the use or purpose of the well does not change and the

activity complies with regulations promulgated under this

chapter. This paragraph shall not apply:

(i) to production casings in coal areas when the

production casings are also the coal protection casings;

or

(ii) when the method of repairing or replacing the

casing would affect the coal protection casing.

(2) Stimulation of a well.

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

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

"Building." An occupied structure with walls and roof within

which persons live or customarily work.

"Casing." A string or strings of pipe commonly placed in

wells drilled for natural gas or petroleum.

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

(1) Hydraulic cement properly mixed with water only.
A mixture of materials adequate for bonding or sealing of well bores as approved by regulations promulgated under this chapter.

"Coal mine." Any of the following:

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

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

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

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

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

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

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

"Gas." Any of the following:

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

(2) Any manufactured gas, byproduct gas or mixture of gases.
"Inactivate." To shut off the vertical movement of gas in a
gas storage well by means of a temporary plug or other suitable
device or by injecting bentonitic mud or other equally nonporous
material into the well.

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

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

"Operating coal mine." Any of the following:

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

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

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

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

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

"Owner." A person who owns, manages, leases, controls or
possesses a well or coal property. The term does not apply to
orphan wells, except where the Department of Environmental
Protection determines a prior owner or operator benefited from
the well as provided in section 3220(a) (relating to plugging
requirements).

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

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

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

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

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

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

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

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

"Storage reservoir." That portion of a subsurface geological
stratum into which gas is or may be injected for storage
purposes or to test suitability of the stratum for storage.
"Unconventional formation." A geological SHALE formation existing below the base of the Elk Sandstone or its geologic equivalent stratigraphic interval where natural gas generally cannot be produced at economic flow rates or in economic volumes except by vertical or horizontal well bores stimulated by hydraulic fracture treatments or by using multilateral well bores or other techniques to expose more of the formation of the well bore.

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

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

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

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

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

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

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

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

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

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

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

"Workable coal seams." A coal seam which:

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

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

SUBCHAPTER B
GENERAL REQUIREMENTS

Sec.
3211. Well permits.

3212. Permit objections.
§ 3211. Well permits.

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

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

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

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

(B.1) NOTIFICATION.--THE FOLLOWING SHALL APPLY:
(1) THE APPLICANT SHALL forward by certified mail a copy of the plat to the following:

(I) The surface landowner.

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

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

(IV) The municipality where the proposed unconventional well is located and each municipality within 3,000 feet of the proposed unconventional well bore.

(b.1) Notification. -- Notification of surface owners shall be

(I) THE SURFACE LANDOWNER.

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

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

(IV) THE MUNICIPALITY WHERE THE PROPOSED UNCONVENTIONAL WELL IS LOCATED AND EACH MUNICIPALITY WITHIN 3,000 FEET OF THE PROPOSED UNCONVENTIONAL VERTICAL WELL BORE.
(V) STORAGE OPERATORS WITHIN 3,000 FEET OF THE
PROPOSED UNCONVENTIONAL VERTICAL WELL BORE.

(2) NOTIFICATION OF SURFACE OWNERS SHALL BE performed by
sending notice to those persons to whom the tax notices for
the surface property are sent, as indicated in the assessment
books in the county in which the property is located.
Notification of surface landowners or water purveyors whose
water supplies are within 1,000 feet, or in the case of an
unconventional well within 3,000 feet of the well bore shall
be on forms, and in a manner prescribed by the department,
sufficient to identify the rights afforded those persons
under section 3218 (relating to protection of water supplies)
and advise them of the advisability of taking their own
predrilling or prealteration survey. The applicant shall
submit proof of compliance with this subsection with the well
permit application.

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

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

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

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

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

(1) The well site for which a permit is requested is in violation of this chapter or issuance of the permit would result in a violation of this chapter or other applicable
(2) The permit application is incomplete.

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

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

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

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

(7) An applicant to drill an unconventional well does not have a reasonable written plan to reuse at least 30% of the total water that will be used to hydraulically fracture the well THE WATER MANAGEMENT PLAN SUBMITTED BY THE APPLICANT TO DRILL AN UNCONVENTIONAL WELL DOES NOT INCLUDE A REUSE PLAN FOR FLUIDS THAT WILL BE USED TO HYDRAULICALLY FRACTURE THAT WELL.
(f) Drilling.--Upon issuance of a permit, the well operator may proceed to drill, operate or alter the well at the exact location shown on the plat after providing the department, the surface landowner and the local political subdivision in which the well is to be located 24 hours' notice of the date that drilling will commence. In noncoal areas where more than one well is to be drilled as part of the same development project, only the first well of the project need be located by survey. Remaining wells of the project shall be shown on the plat in a manner prescribed by regulation. Prior to drilling each additional project well, the well operator shall notify the department and provide reasonable notice of the date on which drilling will commence. Whenever, before or during the drilling of a well not within the boundaries of an operating coal mine, the well operator encounters conditions of a nature which renders drilling of the bore hole or a portion thereof impossible, or more hazardous than usual, the well operator, upon verbal notice to the department, may immediately plug all or part of the bore hole, if drilling has occurred, and commence a new bore hole not more than 50 feet from the old bore hole if the location of the new bore hole does not violate section 3215 (relating to well location restrictions) and, in the case of a well subject to act of July 25, 1961 (P.L.825, No.359), known as the Oil and Gas Conservation Law, if the new location complies with existing laws, regulations and spacing orders and the new bore hole is at least 330 feet from the nearest lease boundary. Within ten days of commencement of the new bore hole, the well operator shall file with the department a written notice of intention to plug, a well record, a completion report, a plugging certificate for the original bore hole and an amended
plat for the new bore hole. The well operator shall forward a

*copy of the amended plat to the surface landowner identified on*

the well permit application within ten days of commencement of

the new well bore.

(g) Posting.--The well permit number and operator's name,

*address and telephone number shall be conspicuously posted at*

the drilling site prior to initiating DURING SITE preparation

and during, INCLUDING THE CONSTRUCTION OF ACCESS ROADS,

construction of the well site or access road, AND DURING

drilling, operation or alteration of the well.

(h) Labeling.--The well operator shall install the permit

number issued by the department in a legible, visible and

permanent manner on the well upon completion.

(i) Expiration.--Well permits issued for drilling wells

under this chapter shall expire one year after issuance unless

operations for drilling the well are commenced within the period

and pursued with due diligence or unless the permit is renewed

in accordance with regulations of the department. If drilling is

commenced during the one-year period, the well permit shall

remain in force until the well is plugged in accordance with

section 3220 (relating to plugging requirements) or the permit

is revoked. A drilling permit issued prior to April 18, 1985,

for a well which is an operating well on April 18, 1985, shall

remain in force as a well permit until the well is plugged in

accordance with section 3220. Nothing in this subsection shall

be construed to rescind the provisions pertaining to drilling

permits contained in the Oil and Gas Conservation Law.

(j) Exceptions.--The Environmental Quality Board may

establish by regulation certain categories of alterations of

permitted or registered wells for which permitting requirements
of this section shall not apply. A well operator or owner who proposes to conduct the alteration activity shall first obtain a permit or registration modification from the department. The Environmental Quality Board shall promulgate regulations as to the requirements for modifications.

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

§ 3212. Permit objections.

(a) General rule.--If a well referred to in section 3211(b) (relating to well permits) will be located on a tract whose surface is owned by a person other than the well operator, the surface landowner affected shall be notified of the intent to drill and may file objections, in accordance with section 3251 (relating to conferences), based on the assertion that the well location violates section 3215 (relating to well location restrictions) or that information in the application is untrue in any material respect, within 15 days of the receipt by the
surface owner of the plat under section 3211(b). Receipt of
notice by the surface owner shall be presumed to have occurred
15 days from the date of the certified mailing when the well
operator submits a copy of the certified mail receipt sent to
the surface owner and an affidavit certifying that the address
of the surface owner to which notice was sent is the same as the
address listed in the assessment books in the county where the
property is located. If no objection is filed or none is raised
by the department within 15 days after receipt of the plat by
the surface landowner, or if written approval by the surface
landowner is filed with the department and no objection is
raised by the department within 15 days of filing, the
department shall proceed to issue or deny the permit.

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

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

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

§ 3213. Well registration and identification.

(a) General rule.--On or before July 5, 1996, each person who owned or operated a well in existence prior to April 18, 1985, which has not been registered with the department and for which no drilling permit has been issued by the department, shall register the well with the department. A well owner or operator who registers under this subsection and a well owner or operator who has previously registered a well under this chapter...
shall, on or before July 5, 1996, identify any abandoned well on
property which the well owner or operator owns or leases and
request approval from the department for classification of the
well as an orphan well. Information regarding wells to be
registered or identified shall be provided on a form, or in a
manner, prescribed by the department and shall include:

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

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

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

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

(5) A registration fee of $15 per well or blanket
registration fee of $250 for multiple well registration
applications submitted simultaneously. The registration fee
shall be waived until July 5, 1996, and no fee shall be charged for identification of an orphan well.

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

(b) Extension.—The department may extend the one-year time period under subsection (a) for good cause shown. The extension may not exceed a period ending two years from April 18, 1985.

The department may adopt and promulgate guidelines designed to ensure a fair implementation of this section, recognizing the practical difficulties of locating unpermitted wells and complying with the reporting requirements of this chapter.

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

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

§ 3214. Inactive status.

(a) General rule.—Upon application, the department shall grant inactive status for a period of five years for a permitted or registered well, if the following requirements are met:
the condition of the well is sufficient to prevent
damage to the producing zone or contamination of fresh water
or other natural resources or surface leakage of any
substance;

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

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

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

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

(c) (Reserved).

(d) Return to active status.--A well granted inactive status
under subsection (a) shall be plugged in accordance with section
3220 (relating to plugging requirements) or returned to active
status within five years of the date inactive status was
granted, unless the owner or operator applies for an extension
of inactive status which may be granted on a year-to-year basis
if the department determines that the owner or operator has
demonstrated ability to continue meeting the requirements of
this section and the owner or operator certifies that the well
will be of future use within a reasonable period of time. An
owner or operator who has been granted inactive status for a
well which is returned to active status prior to expiration of
the five-year period set forth in subsection (a) shall notify
the department that the well has been returned to active status
and shall not be permitted to apply for another automatic five-
year period of inactive status for the well. The owner or
operator may make application to return the well to inactive
status, and the application may be approved on a year-to-year
basis if the department determines that the owner or operator
has demonstrated an ability to continue meeting the requirements
of this section and the owner or operator certifies that the
well will be of future use within a reasonable period of time.
The department shall approve or deny an application to extend a
period of inactive status or to return a well to inactive status
within 60 days of receipt of the application, and the
application shall not be unreasonably denied. If the department
has not completed its review of the application within 60 days,
the inactive status shall continue until the department has made
a determination on the request. If the department denies an
application to extend the period of inactive status or to return
a well to inactive status, a well owner or operator aggrieved by
the denial shall have the right to appeal the denial to the
Environmental Hearing Board within 30 days of receipt of the
denial. Upon cause shown by a well owner or operator, the board
may grant a supersedeas under section 4 of the act of July 13, 1988 (P.L.530, No.94), known as the Environmental Hearing Board Act, so that the well in question may retain inactive status during the period of the appeal.

(e) Revocation of inactive status.--The department may revoke inactive status and order immediate plugging of a well if the well is in violation of this chapter or rules or regulations promulgated under this chapter or if the owner or operator demonstrates inability to perform obligations under this chapter or becomes financially insolvent, or upon receipt by the department of notice of bankruptcy proceedings by the permittee.

§ 3215. Well location restrictions.

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

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

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

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

(2) National or State scenic rivers.

(3) National natural landmarks.

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

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

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

(7) Whether the proposed well location is within a
floodplain.

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

(F) APPLICABILITY.--THE FOLLOWING SHALL APPLY:

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

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

§ 3216. Well site restoration.

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

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

(c) Pits, drilling supplies and equipment.--Within nine months after completion of drilling of a well, the owner or operator shall restore the well site, remove or fill all pits.
used to contain produced fluids or industrial wastes and remove all drilling supplies and equipment not needed for production. Drilling supplies and equipment not needed for production may be stored on the well site if express written consent of the surface landowner is obtained.

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

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

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

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

§ 3217. Protection of fresh groundwater and casing requirements.

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

(b) Casing.--To prevent migration of gas or fluids into
sources of fresh groundwater and pollution or diminution of
fresh groundwater, a string or strings of casing shall be run
and permanently cemented in each well drilled through the fresh
water-bearing strata to a depth and in a manner prescribed by
regulation by the department.

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

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

§ 3218. Protection of water supplies.

(a) General rule.--In addition to the requirements of
subsection (c.1), a well operator who affects a public or
private water supply by pollution or diminution shall restore or
replace the affected supply with an alternate source of water
adequate in quantity or AND quality for the purposes served by
the supply. The department shall ensure the restored or replaced
water supply meets the applicable water quality standards
consistent with the Safe Drinking Water Act (Public Law 93-523,
21 U.S.C. § 349 and 42 U.S.C. §§ 201 and 300f et seq.), the act of May 1, 1984 (P.L.206, No.43), known as the Pennsylvania Safe Drinking Water Act, and OR predrilling or alteration water quantity standards as determined by the department. The Environmental Quality Board shall promulgate regulations necessary to meet the requirements of this subsection.

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

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

(b.2) Responses to calls.--The department shall develop
appropriate administrative responses to calls received on the
Statewide toll-free telephone number for water contamination.

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

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

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

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

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

(3) The water supply is not within 1,000 feet, or in the
case of an unconventional well within 3,000 feet, of the well
(4) The pollution occurred more than 12 months more than six months, or in the case of an unconventional well more than 12 months after drilling, stimulation or alteration activities.

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

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

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

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

§ 3218.1. Containment for unconventional wells.

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

(1) Be instituted on the pad during both drilling and
hydraulic fracturing operations.

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

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

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

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

(1) Drilling mud.

(2) Hydraulic oil.

(3) Diesel fuel.

(4) Drilling mud additives.

(5) Hydraulic fracturing additives.

(6) Hydraulic fracturing flowback.

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

§ 3218.2. Transportation records regarding wastewater fluids.

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

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

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

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

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

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

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

(4) The method of disposal.

§ 3218.3. Emergency response information.
The Pennsylvania Emergency Management Agency and the department shall adopt emergency regulations directing the operators of all unconventional wells to do all of the following:

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

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

(3) Require the development of an emergency response plan and file that plan with the agency, the department and the county emergency management organization with jurisdiction over the unconventional well. The county shall disseminate the GPS address and emergency response plan to
the local emergency management organization in which the
unconventional well is located.

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

§ 3218.4. NOTIFICATION TO PUBLIC DRINKING WATER SYSTEMS.

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

§ 3218.5. CORROSION CONTROL REQUIREMENTS.

THE FOLLOWING SHALL APPLY TO CORROSION CONTROL REQUIREMENTS:

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

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

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

(4) AN OPERATOR OF A NEW, REPLACED, RELOCATED OR
OTHERWISE CHANGED LINE MUST BE IN COMPLIANCE WITH THE
APPLICABLE REQUIREMENTS OF THIS SECTION BY THE DATE THE LINE GOES INTO SERVICE.

§ 3218.6. GATHERING LINES.

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

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

§ 3219. Use of safety devices.

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

§ 3220. Plugging requirements.

(a) General rule.--Upon abandoning a well, the owner or operator shall plug it in the manner prescribed by regulation of the department to stop vertical flow of fluids or gas within the well bore, unless the department has granted inactive status for the well or it has been approved by the department as an orphan well. If the department determines that a prior owner or operator received economic benefit, other than economic benefit derived only as a landowner or from a royalty interest, after April 18, 1979, from an orphan well or an unregistered well, the owner or operator shall be responsible for plugging the well. In the case of a gas well penetrating a workable coal seam which was drilled prior to January 30, 1956, or which was permitted after that date but not plugged in accordance with this chapter,
if the owner or operator or a coal operator or an agent proposes
to plug the well to allow mining through of it, the gas well
shall be cleaned to a depth of at least 200 feet below the coal
seam through which mining is proposed and, unless impracticable,
to a point 200 feet below the deepest mineable coal seam. The
gas well shall be plugged from that depth in accordance with
section 13 of the act of December 18, 1984 (P.L.1069, No.214),
known as the Coal and Gas Resource Coordination Act, and the
regulations of the department.

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

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

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

(e) Orphan wells.--If a well is an orphan well or abandoned without plugging, or if a well is in operation but not registered under section 3213 (relating to well registration and identification), the department may enter upon the well site and plug the well and sell equipment, casing and pipe at the site which may have been used in production of the well in order to recover the costs of plugging. The department shall make an effort to determine ownership of a well which is in operation but has not been registered and provide written notice to the owner of pending action under this subsection. If the department cannot determine ownership within 30 days, it may proceed under this subsection. Costs of plugging shall have priority over all liens on equipment, casing and pipe, and the sale shall be free
and clear of those liens to the extent that the cost of plugging exceeds the sale price. If the amount obtained for casing and pipe salvaged at the site is inadequate to pay for plugging, the owner or operator of the abandoned or unregistered well shall be liable for the additional costs.

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

§ 3221. Alternative methods.

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

§ 3222. Well reporting requirements.

(a) General rule.--Except as provided in subsection (a.1), each well operator shall file with the department, on a form provided by the department, an annual report specifying the amount of production, on the most well-specific basis available, along with the status of each well, except that in subsequent years only changes in status must be reported. The Commonwealth
may utilize reported information in enforcement proceedings, in making designations or determinations under section 1927-A of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or in aggregate form for statistical purposes.

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

(b) Collection of data.--Well operators shall maintain a record of each well drilled or altered. A record containing the information required by the department, including the information required under subsection (b.1), shall be filed
within 30 days after stimulation of the well. A completion report containing any additional required information shall be filed within 30 days after the stimulation of the well and shall be kept on file by the department. Upon request of the department, the well operator shall, within 90 days of completion or recompletion of drilling, submit a copy of any electrical, radioactive or other standard industry logs which have been run and, upon request by the department within one year, a copy of drill stem test charts, formation water analysis, porosity, permeability or fluid saturation measurements, core analysis and lithologic log or sample description or other similar data as compiled. No information shall be required unless the well operator had it compiled in the ordinary course of business, and interpretation of data is not required to be filed.

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

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

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

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

(4) The percent by volume of each chemical list in the material safety data sheets.
(5) The total volume of the base fluid.

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

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

(8) The total volume of recycled water used.

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

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

(c) Drill cuttings and core samples.--Upon notification by the department prior to commencement of drilling, the well operator shall collect any additional data specified by the department, including representative drill cuttings and samples from cores taken and any other geological information that the operator reasonably can compile. Interpretation of the data is not required to be filed.
(d) Retention of data.--Data required under subsection (b) and drill cuttings required under subsection (c) shall be retained by the well operator and filed with the department no more than three years after completion of the well. Upon request, the department shall extend the deadline up to five years from the date of completion of the well. The department shall be entitled to utilize information collected under this subsection in enforcement proceedings, in making designations or determinations under section 1927-A of The Administrative Code of 1929 and in aggregate form for statistical purposes.

§ 3223. Notification and effect of well transfer.

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

§ 3224. Coal operator responsibilities.

(a) General rule.--At any time prior to removing coal or other underground materials from, or extending the workings in, a coal mine within 500 feet of an oil or gas well of which the coal operator has knowledge, or within 500 feet of an approved well location of which the coal operator has knowledge, the coal operator, by certified mail, shall forward to or file with the well operator and the department a copy of the relevant part of all maps and plans which it is presently required by law to
prepare and file with the department, showing the pillar which
the coal operator proposes to leave in place around each oil or
gas well in the projected workings. Thereafter, the coal
operator may proceed with mining operations in the manner
projected on the maps and plans, but the operator may not remove
coal or cut a passageway within 150 feet of the well or approved
well location without written approval under this section. If,
in the opinion of the well operator or the department, the plan
indicates that the proposed pillar is inadequate to protect
either the integrity of the well or public health and safety,
the affected well operator shall attempt to reach an agreement
with the coal operator on a suitable pillar, subject to approval
of the department. Upon failure to agree, the well operator may,
within ten days after receipt of the proposed plan under this
section, file objections under section 3251 (relating to
conferences), indicating the size of the pillar to be left as to
each well. If objections are not timely filed and the department
has none, the department shall grant approval, reciting that
maps and plans have been filed, no objections have been made
thereto and the pillar proposed to be left for each well is
approved in the manner as projected.

(b) Objections.--If an objection is filed by the well
operator or raised by the department, the department shall order
that a conference be held under section 3251 within ten days of
the filing of objections. At the conference, the coal operator
and the person who has objected shall attempt to agree on a
proposed plan, showing the pillar to be left around each well,
which will satisfy the objections and receive department
approval. If an agreement is reached, the department shall grant
approval to the coal operator, reciting that a plan has been
filed and the pillar to be left for each well is approved pursuant to the agreement. If an agreement is not reached on a plan showing the pillar to be left with respect to a well, the department, by appropriate order, shall determine the pillar to be left with respect to the well. In a proceeding under this section, the department shall follow as nearly as is possible the original plan filed by the coal operator. The department shall not require the coal operator to leave a pillar in excess of 100 feet in radius, except that the department may require a pillar of up to 150 feet in radius if the existence of unusual conditions is established. Pillars determined by the department shall be shown on maps or plans on file with the department as provided in subsection (a) and the department shall approve the pillar to be left for each well.

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

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

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

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

(d) Violation.--No coal operator, without written approval of the department after notice and opportunity for a hearing under this section, shall remove coal or cut a passageway so as to leave a pillar of smaller size, with respect to an oil or gas...
(e) Limitation.--With regard to a coal pillar required by law to be left around a well drilled prior to April 18, 1985, nothing in this chapter shall be construed to:

(1) require a well operator to pay for the coal pillar;
(2) affect a right which a coal operator may have had prior to April 18, 1985, to obtain payment for the coal pillar; or
(3) affect a duty or right which a storage operator or landowner may have had prior to April 18, 1985, to pay or not pay for the coal pillar.

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

§ 3225. Bonding.

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

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

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

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

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

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

(A) For operating up to 25 wells, $10,000 per well, provided the operator may not be required to provide a bond under this section exceeding $120,000. $140,000.
(B) For operating 26 to 50 wells, $120,000 plus $10,000 per well in excess of 25 wells, provided the operator may not be required to provide a bond under this section exceeding $240,000 $290,000.

(C) For operating 51 to 150 wells, $240,000 plus $10,000 per well in excess of 50 wells, provided the operator may not be required to provide a bond under this section exceeding $360,000 $430,000.

(D) For operating more than 150 wells, $360,000 plus $10,000 per well in excess of 150 wells, provided the operator may not be required to provide a bond under this section exceeding $500,000 $600,000.

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

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

(i) cash;

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

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

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

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

(5) The State Treasurer shall at all times be responsible for custody and safekeeping of deposits. The operator making the deposit shall be entitled from time to time to demand and receive from the State Treasurer, on the
written order of the secretary, the whole or any portion of collateral deposited, upon depositing with the State Treasurer, in lieu of that collateral, other collateral of classes specified in this section having a market value at least equal to the sum of the bond, and also to demand, receive and recover the interest and income from the negotiable bonds as they become due and payable.

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

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

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

(c) Noncompliance.--If a well owner or operator fails or refuses to comply with subsection (a), regulations promulgated under this chapter or conditions of a permit relating to this chapter, the department may declare the bond forfeited and shall
certify the same to the Attorney General, who shall proceed to
enforce and collect the full amount of the bond and, if the well
owner or operator has deposited cash or securities as collateral
in lieu of a corporate surety, the department shall declare the
collateral forfeited and direct the State Treasurer to pay the
full amount of the funds into the Well Plugging Restricted
Revenue Account or to sell the security to the extent forfeited
and pay the proceeds into the Well Plugging Restricted Revenue
Account. If a corporate surety or financial institution fails to
pay a forfeited bond promptly and in full, the corporate surety
or financial institution shall be disqualified from writing
further bonds under this chapter or any other environmental law
administered by the department. A person aggrieved by reason of
forfeiting the bond or converting collateral, as provided in
this section, shall have a right to appeal to the Environmental
Hearing Board in the manner provided by law. Upon forfeiture of
a blanket bond for a violation occurring at one or more well
sites, the person whose bond is forfeited shall, within ten days
of the forfeiture, submit a replacement bond to cover all other
wells of which the person is an owner or operator. Failure to
submit the replacement bond constitutes a violation of this
section as to each of the wells owned or operated by the person.

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

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

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

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

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

(B) An operator of up to ten existing wells that does not intend to operate additional wells shall deposit $250 per well and shall, thereafter, annually deposit $50 per well until the obligations of this
section are fully met. An operator of 11 to 25 wells or an operator of up to ten wells that applies for one or more permits for additional wells shall deposit $2,000 and shall, thereafter, annually deposit $1,150 plus $150 for each additional well to be permitted that year until the obligations of this section are fully met. An operator of 26 to 50 wells shall deposit $3,000 and shall, thereafter, annually deposit $1,300 plus $400 for each additional well to be permitted that year until the obligations of this section are fully met. An operator of 51 to 100 wells shall deposit $4,000 and shall, thereafter, annually deposit $1,500 plus $400 for each additional well to be permitted that year until the obligations of this section are fully met. Operators of 101 to 200 wells shall deposit $8,000 and shall, thereafter, annually deposit $1,600 plus $1,000 for each additional well to be permitted that year until the obligations of this section are fully met. Operators of more than 200 wells shall fully bond their wells immediately.

(C) The department shall reduce the amount of phased collateral payments or the period of time over which phased collateral payments shall be made on behalf of owners or operators that, prior to August 3, 1992, have paid a fee in lieu of bond under subparagraph (i), and that, by August 3, 1993, chose to enter the phased collateral program under this subparagraph rather than continue to make payments in lieu of bond. Payments made prior to August 3, 1992, in lieu of bond shall not be credited in any other
manner, and the department shall not be required to
refund the fees. The Environmental Quality Board, by
regulation, may change the annual deposits
established under clause (B) if necessary to
accommodate a change in the amount of the bond
required under this section.

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

   (i)  IMMEDIATELY submit the appropriate bond amount

in full; or

   (ii)  cease all operations and plug all wells.

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

(1)  An individual who is unable to obtain a bond to
drill new wells due to inability to demonstrate financial
resources may meet the collateral bond requirements of
subsection (a) by making phased deposits of collateral to
fully collateralize the bond. The individual shall be limited
to drilling ten new wells per calendar year and, for each
well to be drilled, deposit $500 and make an annual deposit
of 10% of the remaining bond amount for a period of ten
years. Interest accumulated shall become a part of the bond
until the collateral plus accumulated interest equal the
amount of the required bond. The collateral shall be
deposited in trust with the State Treasurer under subsection
(a) or with a bank selected by the department which shall act
as trustee for the benefit of the Commonwealth to guarantee
the individual's compliance with the drilling, water supply
replacement, restoration and plugging requirements of this
chapter. The individual shall pay all costs of the trust.

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

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

(ii) cease all operations and plug all wells.

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

(e) Reservation of remedies.--All remedies

violating

FOR

VIOLATIONS OF this chapter, regulations adopted under this
chapter and conditions of permits are expressly preserved.
Nothing in this section shall be construed as an exclusive
penalty or remedy for violations of law. No action taken under
this section shall waive or impair any other remedy or penalty
provided in law.

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

§ 3226. Oil and Gas Technical Advisory Board.

(a) Creation of board.--The Oil and Gas Technical Advisory
Board is created, consisting of the following members, all of
whom shall be chosen by the Governor and shall be residents of
this Commonwealth:
(1) Three individuals, each of whom shall be:
   (i) a petroleum engineer;
   (ii) a petroleum geologist; or
   (iii) an experienced driller representative of the oil and gas industry with three years of experience in this Commonwealth.

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

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

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

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

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

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

SUBCHAPTER C

UNDERGROUND GAS STORAGE

Sec.

3231. Reporting requirements for gas storage operations.
3232. Reporting requirements for coal mining operations.
3233. General gas storage reservoir operations.
3234. Gas storage reservoir operations in coal areas.
3235. Inspection of facilities and records.
3236. Reliance on maps and burden of proof.
3237. Exemptions and prohibitions.

§ 3231. Reporting requirements for gas storage operations.

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

(1) A person injecting into or storing gas in a storage reservoir underlying or within 3,000 linear feet of a coal mine operating in a coal seam that extends over the storage reservoir or reservoir protective area shall, within 60 days, file with the department a copy of a map and certain data in the form and manner provided in this subsection or as otherwise prescribed by regulation of the department.

(2) A person injecting gas into or storing gas in a storage reservoir which is not under or within 3,000 linear feet of, but less than 10,000 linear feet from, a coal mine operating in a coal seam that extends over the storage...
reservoir or reservoir protective area shall file the map and data within 60 days or a longer period set by departmental regulation.

(3) A person proposing to inject or store gas in a storage reservoir located as defined in paragraph (1) or (2) shall file the appropriate required map and data with the department not less than six months prior to starting the actual injection or storage.

(4) A map required by this subsection shall be prepared by a competent engineer or geologist, showing:

(i) the stratum in which the existing or proposed storage reservoir is or is proposed to be located;
(ii) the geographic location of the outside boundaries of the storage reservoir and reservoir protective area;
(iii) the location of all known oil or gas wells in the reservoir or within 3,000 linear feet thereof which have been drilled into or through the storage stratum, indicating which have been or are to be cleaned out and plugged or reconditioned for storage along with the proposed location of all additional wells which are to be drilled within the storage reservoir or within 3,000 linear feet thereof.

(5) The following, if available, shall be furnished for all known oil or gas wells which have been drilled into or through the storage stratum within the storage reservoir or within 3,000 linear feet of the storage reservoir:

(i) Name of the operator.
(ii) Date drilled.
(iii) Total depth.
(iv) Depth of production if the well was productive of oil or gas.
(v) Initial rock pressure and volume.
(vi) Depths at which all coal seams were encountered.
(vii) A copy of the driller's log or other similar information.

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

(i) detailing efforts made to determine that the wells shown are accurately located on the map;
(ii) affirming that the wells shown represent, to the best of the operator's knowledge, all oil or gas wells which have ever been drilled into or below the storage stratum within the proposed storage reservoir or within the reservoir protective area;
(iii) stating whether the initial injection is for testing purposes;
(iv) stating the maximum pressure at which injection and storage of gas is contemplated; and
(v) providing a detailed explanation of the methods to be used or which previously have been used in drilling, cleaning out, reconditioning and plugging wells in the storage reservoir or within the reservoir protective area.

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

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

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

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

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

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

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

(3) The following, if available, shall be furnished for
all known oil or gas wells which have been drilled into or
through the storage stratum within the storage reservoir or
within 3,000 linear feet of the storage reservoir:

(i) Name of the operator.

(ii) Date drilled.

(iii) Total depth.

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

(v) Initial rock pressure and volume.

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

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

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

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

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

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

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

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

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

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

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

(f) Inapplicability of section.--The requirements of this section shall not apply to the operator of an underground gas storage reservoir so long as the reservoir is located more than
10,000 linear feet from an operating coal mine, except that the storage operator shall give notice to the department of the name of each political subdivision and county in which the operator maintains and operates a gas storage reservoir. In political subdivisions and counties where both gas storage reservoirs and coal mines are being operated, the department may request the storage operator to furnish maps showing geographical locations and outside boundaries of the storage reservoirs. The department shall keep a record of the information and promptly notify the coal operator and the storage operator when notified by them that the coal mine and storage reservoir are within 10,000 linear feet of each other.

§ 3232. Reporting requirements for coal mining operations.

(a) General rule.--A person owning or operating a coal mine shall file with the department a map prepared and sealed by a competent individual licensed as a professional engineer or professional land surveyor under the provisions of the act of May 23, 1945 (P.L. 913, No. 367), known as the Engineer, Land Surveyor and Geologist Registration Law, showing the outside coal boundaries of the operating coal mine, the existing workings and exhausted areas and the relationship of the boundaries to identifiable surface properties and landmarks. A person owning or operating an operating coal mine which has been penetrated by a well shall furnish a mine map to the department each year indicating the excavations for the preceding year and the projections for the ensuing year. The map required by this subsection shall be furnished to a person storing or contemplating the storage of gas in the vicinity of operating coal mines shall, upon written request, by the coal operator, and the person and the department shall thereafter be informed
of any boundary changes at the time the changes occur. The department shall keep a record of the information and promptly notify the coal operator and storage operator when notified by them that the coal mine and the storage reservoir are within 10,000 linear feet of each other.

(b) Mines near certain reservoirs.--A person owning or operating any coal mine which is or which comes within 10,000 linear feet of a storage reservoir and where the coal seam being operated extends over the storage reservoir or reservoir protective area shall, within 45 days after receiving notice from the storage operator of that fact, file with the department and furnish to the person operating the storage reservoir a map in the form required by subsection (a) showing, in addition to the requirements of subsection (a), existing and projected excavations and workings of the operating coal mine for the ensuing 18-month period and the location of oil or gas wells of which the coal operator has knowledge. The person owning or operating the coal mine shall, each six months thereafter, file with the department and furnish to the person operating the storage reservoir a revised map showing any additional excavations and workings, together with the projected excavations and workings for the then ensuing 18-month period, which may be within 10,000 linear feet of the storage reservoir. The department may require a coal operator to file revised maps at more frequent intervals if material changes have occurred justifying earlier filing. The person owning or operating the coal mine shall also file with the department and furnish the person operating the reservoir prompt notice of any wells which have been cut into, together with all available pertinent information.
(c) Mines near gas storage reservoirs.--A person owning or operating a coal mine who has knowledge that it overlies or is within 2,000 linear feet of a gas storage reservoir shall, within 30 days, notify the department and the storage operator of that fact.

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

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

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

§ 3233. General gas storage reservoir operations.

(a) General rule.--A person who operates or proposes to operate a storage reservoir, except one filled by the secondary recovery or gas recycling process, shall:
(1) Use every known method which is reasonable under the circumstances for discovering and locating all wells which have or may have been drilled into or through the storage reservoir.

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

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

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

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

(1) To comply with subsection (a), wells which are to be reconditioned shall, unless the department by regulation specifies a different procedure, be cleaned out from the surface through the storage horizon, and the producing casing and casing strings determined not to be in good physical condition shall be replaced with new casing, using the same procedure as is applicable to drilling a new well under this chapter. In the case of wells to be used for gas storage, the
annular space between each string of casing and the annular space behind the largest diameter casing to the extent possible shall be filled to the surface with cement or bentonitic mud or a nonporous material approved by the department under section 3221. At least 15 days prior to reconditioning, the storage operator shall give notice to the department, setting forth in the notice the manner in which it is planned to recondition the well and any pertinent data known to the storage operator which will indicate the condition of the well existing at that time. In addition, the storage operator shall give the department at least 72 hours' notice of the time when reconditioning is to begin. If no objections are raised by the department within ten days, the storage operator may proceed with reconditioning in accordance with the plan as submitted. If objections are made by the department, the department may fix a time and place for a conference under section 3251 (relating to conferences) at which the storage operator and department shall endeavor to agree on a plan to satisfy the objections and meet the requirements of this section. If no agreement is reached, the department may, by an appropriate order, determine whether the plan as submitted meets the requirements of this section or what changes, if any, are required. If, in reconditioning a well in accordance with the plan, physical conditions are encountered which justify or necessitate a change in the plan, the storage operator may request that the plan be changed. If the request is denied, the department shall fix a conference under section 3251 and proceed in the same manner as with original objections. An application may be made in the manner prescribed by section 3221 for approval of an
alternative method of reconditioning a well. If a well located within the storage reservoir was reconditioned, or drilled and equipped, prior to April 18, 1985, the obligations imposed by subsection (a), as to reconditioning the well, shall be considered fully satisfied if, on the basis of the data, information and other evidence submitted to the department, it is determined that:

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

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

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

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

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

(2) The storage operator shall give at least six months'
written notice to the department of the fact that injection
of gas for testing purposes is proposed.

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

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

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

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

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

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

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

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

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

§ 3234. Gas storage reservoir operations in coal areas.

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

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

(2) Plug or recondition, as provided by section 3220 (relating to plugging requirements) and subsection (e), all
known wells, except to the extent provided in subsections (e), (f), (g) and (h), drilled into or through the storage stratum and located within the portion of the acreage of the operating coal mine overlying the storage reservoir or the reservoir protective area. If an objection is raised as to use of a well as a storage well and after a conference under section 3251 (relating to conferences) it is determined by the department, taking into account all circumstances and conditions, that the well should not be used as a storage well, the well shall be plugged unless, in the opinion of the storage operator, the well may be used as a storage well in the future, in which case, upon approval of the department after taking into account all circumstances and conditions, the storage operator may recondition and inactivate the well rather than plug it.

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

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

(1) That the map and any supplemental maps required by section 3231(a) (relating to reporting requirements for gas storage operations)
storage operations) have been prepared and filed in accordance with section 3231.

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

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

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

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

(c) Procedure.--Within 120 days after receipt of a statement required by this section, the department may direct that a conference be held in accordance with section 3251 to determine whether the requirements of section 3231 and subsection (a) have been fully met. At the conference, if any person believes the requirements have not been fully met, the parties shall attempt to agree on additional actions to be taken and the time for completion, subject to approval of the department. If an agreement cannot be reached, the department shall make a determination and, if the department determines any requirements have not been met, the department shall issue an order specifying in detail the extent to which the requirements have not been met and the actions which the storage operator must complete to meet the requirements. The order shall grant as much time as is reasonably necessary to fully comply. If the storage operator encounters conditions not known to exist at the time of
issuance of the order and which materially affect the validity of the order or the ability of the storage operator to comply with it, the storage operator may apply for a rehearing or modification of the order.

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

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

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

(1) In order to comply with subsection (a), unless the department by regulation specifies a different procedure, wells which are to be reconditioned shall be cleaned out from
the surface through the storage horizon, and the following
casing strings shall be pulled and replaced with new casing,
using the procedure applicable to drilling a new well under
this chapter:

(i) the producing casing;

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

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

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

(3) At least 15 days before a well is to be
reconditioned, the storage operator shall give notice to the
department and the coal operator, lessee or owner, setting
forth the manner in which reconditioning is planned and
pertinent data known to the storage operator which will
indicate the current condition of the well, along with at
least 72 hours' notice of the date and time when
reconditioning will begin. The coal operator, lessee or owner
shall have the right to file, within ten days after receipt
of the notice, objections to the plan of reconditioning as
submitted by the storage operator. If no objections are filed
and none are raised by the department within ten days, the
storage operator may proceed with reconditioning in
accordance with the plan as submitted. If an objection is
filed or made by the department, the department shall fix a
time and place for a conference under section 3251, at which
conference the storage operator and the person having
objections shall attempt to agree on a plan of reconditioning
that meets the requirements of this section. If no agreement
is reached, the department shall, by an appropriate order,
determine whether the plan as submitted meets the
requirements of this section or what changes should be made
to meet the requirements. If, in reconditioning the well in
accordance with the plan, physical conditions are encountered
which justify or necessitate a change in the plan, the
storage operator or coal operator may request that the plan
be changed. If the parties cannot agree on a change, the
department shall arrange for a conference to determine the
matter in the same manner as set forth in connection with
original objections to the plan.

(4) Application may be made to the department in the
manner prescribed in section 3221 for approval of an
alternative method of reconditioning a well. When a well
located within the storage reservoir or the reservoir
protective area has been reconditioned or drilled and
equipped prior to April 18, 1985, and, on the basis of the
data, information and other evidence submitted to the
department, the obligations imposed by subsection (a) as to
reconditioning the well shall be considered to be fully
satisfied if it is determined that reconditioning or previous drilling and equipping:

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

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

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

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

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

(i) Plugging limitation.--In fulfilling the requirements of subsection (a)(2) with respect to a well within the reservoir protective area, the storage operator shall not be required to plug or recondition the well until the storage operator has received from the coal operator written notice that the mine workings will, within the period stated in the notice, be within
2,000 linear feet of the well. Upon the receipt of the notice, the storage operator shall use due diligence to complete the plugging or reconditioning of the well in accordance with the requirements of this section and section 3220. If the mine workings do not, within a period of three years after the well has been plugged, come within 2,000 linear feet of the well, the coal operator shall reimburse the storage operator for the cost of plugging, provided that the well is still within the reservoir protective area as of that time.

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

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

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

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

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

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

(1) Storage reservoirs near operating coal mines.--A person
who proposes to establish a storage reservoir under or within
2,000 linear feet of a coal mine operating in a coal seam that
extends over the storage reservoir or the reservoir protective area shall, prior to establishing the reservoir, and in addition to complying with section 3231 and subsection (a), file the verified statement required by subsection (b) and fully comply with any order of the department in the manner provided under subsection (b) or (c) before commencing operation of the storage reservoir. After the person proposing to operate the storage reservoir complies with the requirements of this subsection and commences operations, the person shall continue to be subject to all provisions of this chapter.

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

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

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

(3) the department shall, upon the request of the storage operator, extend the time for filing the statement by the additional time which will be required to extend or establish or reestablish the operating coal mine to a point within 2,000 linear feet of the reservoir:
(4) the verified statement shall also indicate that the map referred to in section 3231(a) has been currently amended as of the time of the filing of the statement; and

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

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

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

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

(o) Prevention of escape of gas.--In addition to initial compliance with other provisions of this chapter and lawful orders issued under this chapter, it shall be the duty, at all times, of a person owning or operating a storage reservoir subject to this chapter to keep all wells drilled into or through the storage stratum in a condition, and operate the wells in a manner, which is designed to prevent the escape of gas out of the storage reservoir and its facilities, and to operate and maintain the storage reservoir and its facilities in the manner prescribed by regulation of the department and at a
pressure that will prevent gas from escaping from the reservoir or its facilities. This duty shall not be construed to include inability to prevent the escape of gas when escape results from an act of God or a person not under the control of the storage operator, except that this exception does not apply to a well which the storage operator has failed to locate and make known to the department. If an escape of gas results from an act of God or a person not under the control of the storage operator, the storage operator shall be under the duty to take any action reasonably necessary to prevent further escape of gas out of the storage reservoir and its facilities.

§ 3235. Inspection of facilities and records.
(a) General rule.--The person operating a storage reservoir affected by this chapter shall, at all reasonable times, be permitted to inspect applicable records and facilities of a coal mine overlying the storage reservoir or reservoir protective area. The person operating a coal mine affected by this chapter shall, at all reasonable times, be permitted to inspect applicable records and facilities of a storage reservoir underlying the coal mine.
(b) Order.--If a storage operator or coal operator subject to subsection (a) refuses to permit inspection of records or facilities, the department may, on its own motion or on application of the party seeking inspection, after reasonable written notice and a hearing if requested by an affected party, order inspection.

§ 3236. Reliance on maps and burden of proof.
(a) General rule.--In determining whether a coal mine or operating coal mine is or will be within a particular distance from a storage reservoir which is material under this chapter,
the owner or operator of the coal mine and the storage operator may rely on the most recent map of the storage reservoir or coal mine filed by the other party with the department.

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

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

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

§ 3237. Exemptions and prohibitions.

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

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

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

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

(b) Workable coal seams.—Injection of gas for storage
purposes in a workable coal seam, whether or not it is being or has been mined, is prohibited.

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

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

SUBCHAPTER D
EMINENT DOMAIN

Sec.
3241. Appropriation of interest in real property.
§ 3241. Appropriation of interest in real property.
(a) General rule.--Except as provided in this subsection, a corporation empowered to transport, sell or store natural gas or manufactured gas in this Commonwealth may appropriate an interest in real property located in a storage reservoir or reservoir protective area for injection, storage and removal from storage of natural gas or manufactured gas in a stratum which is or previously has been commercially productive of natural gas. The right granted by this subsection shall not be exercised to acquire any of the following for the purpose of gas storage:

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

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

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

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

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

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

(i) a stratum to be used for storage;

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

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

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

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

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

(2) This chapter does not preclude the owner of nonstorage strata from drilling wells to produce oil or gas from a stratum above or below the storage stratum appropriated by another person, but a person appropriating or holding storage rights may access, inspect and examine the drilling, the completed well, drilling logs and other records relating to drilling, equipping or operating the well in
order to determine whether the storage stratum is being
adequately protected to prevent escape of gas stored therein.

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

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

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

(e) Appointment of viewers.—Upon petition of a property
owner or a person appropriating under this chapter, the court
shall:

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

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

(3) provide notice to the parties; and

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

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

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

SUBCHAPTER E
ENFORCEMENT AND REMEDIES

Sec.
3251. Conferences.
3252. Public nuisances.
3253. Enforcement orders.
3254. Restraining violations.
3255. Penalties.
3256. Civil penalties.
3257. Existing rights and remedies preserved and cumulative remedies authorized.
3258. Production of materials, witnesses, depositions and rights of entry.
3259. Unlawful conduct.
3260. Collection of fines and penalties.
3261. Third-party liability.
§ 3251. Conferences.

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

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

§ 3252. Public nuisances.

A violation of section 3216 (relating to well site restoration), 3217 (relating to protection of fresh groundwater and casing requirements), 3218 (relating to protection of water supplies), 3219 (relating to use of safety devices) or 3220 (relating to plugging requirements), or a rule, regulation, order, term or condition of a permit relating to any of those
sections constitutes a public nuisance.

§ 3253. Enforcement orders.

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

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

(c) Written notice.--Prior to suspension or revocation of a well permit or registration, the department shall serve written notice on the well operator or its agent, stating specifically the statutory provision, rule, regulation or other reason relied upon, along with factual circumstances surrounding the alleged violation. The well operator shall have 15 days to request a conference with the department to show cause why action should not be taken.
not be taken. Upon receipt of a request, the department shall hold a conference and render a decision within 15 days after the conference. The department shall provide written notice of the decision to the well operator or its agent, which shall become effective upon receipt. If the decision is to suspend or revoke the permit or registration, the department may order the operator to cap the well if the likely result of the violation is an unsafe operation or environmental damage.

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

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

(f) Inspection reports.—The department shall post inspection reports on its publicly accessible Internet website. The inspection reports shall include:

(1) The nature and description of violations.

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

(3) The status of the violation.

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

§ 3254. Restraining violations.

(a) General rule.—In addition to any other remedy provided in this chapter, the department may institute a suit in equity in the name of the Commonwealth for an injunction to restrain a violation of this chapter or rules, regulations, standards or
orders adopted or issued under this chapter and to restrain the
maintenance or threat of a public nuisance. Upon motion of the
Commonwealth, the court shall issue a prohibitory or mandatory
preliminary injunction if it finds that the defendant is
engaging in unlawful conduct, as defined by this chapter, or
conduct causing immediate and irreparable harm to the public.
The Commonwealth shall not be required to furnish bond or other
security in connection with the proceeding. In addition to an
injunction, the court in equity may level civil penalties as
specified in section 3256 (relating to civil penalties).

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

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

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

§ 3255. Penalties.

(a) General violation.--A person violating a provision of
this chapter commits a summary offense and, upon conviction,
shall be sentenced to pay a fine of not more than $1,000 or to
imprisonment of not more than 90 days, or both. Each day during
which the violation continues is a separate and distinct offense.

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

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

§ 3256. Civil penalties.

In addition to other remedies available at law or in equity for a violation of this chapter, a rule or regulation of the department or a departmental order or a permit condition, the department, after a hearing, may assess a civil penalty regardless of whether the violation was willful. The penalty shall not exceed $25,000 plus $1,000 for each day during which the violation continues, or in the case of a violation arising from the construction, alteration or operation of an unconventional well, $75,000 plus $5,000 for each day during which the violation continues. In determining the amount, the department shall consider willfulness of the violation, damage or injury to natural resources of this Commonwealth or their uses, endangerment of safety of others, the cost of remedying the harm, savings resulting to the violator as a result of the violation and any other relevant factor. The penalty shall be payable to the Commonwealth and collectible in any manner provided at law for collection of debts. If a violator neglects
or refuses to pay the penalty after demand, the amount, together
with interest and costs that may accrue, shall become a lien in
favor of the Commonwealth on the real and personal property of
the violator, but only after the lien has been entered and
docketed of record by the prothonotary of the county where the
property is situated. The department may at any time transmit to
the prothonotaries of the various counties certified copies of
all liens. It shall be the duty of each prothonotary to enter
and docket the liens of record in the prothonotary's office and
index them as judgments are indexed, without requiring payment
of costs as a condition precedent to entry.
§ 3257. Existing rights and remedies preserved and cumulative
remedies authorized.
Nothing in this chapter estops the Commonwealth or a district
attorney from proceeding in a court of law or in equity to abate
pollution forbidden under this chapter or a nuisance under
existing law. It is hereby declared to be the purpose of this
chapter to provide additional and cumulative remedies to control
activities related to drilling for, or production of, oil and
gas in this Commonwealth, and nothing contained in this chapter
abridges or alters rights of action or remedies existing, or
which existed previously, in equity or under common or statutory
law, criminal or civil. Neither this chapter, the grant of a
permit under this chapter nor an act done by virtue of this
chapter estops the Commonwealth, in exercising rights under
common or decisional law or in equity, from suppressing a
nuisance, abating pollution or enforcing common law or statutory
rights. No court of this Commonwealth with jurisdiction to abate
public or private nuisances shall be deprived of jurisdiction in
an action to abate a private or public nuisance instituted by
any person on grounds that the nuisance constitutes air or water pollution.

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

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

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

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

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

(c) Witnesses.--In any part of this Commonwealth, the department may subpoena witnesses, administer oaths, examine witnesses, take testimony and compel production of books, records, maps, plats, papers, documents and other writings pertinent to proceedings or investigations conducted by the
department under this chapter. Upon refusal to obey a subpoena by any person and on application of the department, a court may enforce a subpoena in contempt proceedings. Fees for serving a subpoena shall be the same as those paid to sheriffs for similar services.

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

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

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

§ 3259. Unlawful conduct.

It shall be unlawful for any person to:

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

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

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

or

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

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

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

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

§ 3260. Collection of fines and penalties.

Fines and penalties shall be collectible in a manner provided
by law for collection of debts. If a person liable to pay a
penalty neglects or refuses to pay after demand, the amount,
together with interest and costs that may accrue, shall be a
judgment in favor of the Commonwealth on the person's property, but only after the judgment has been entered and docketed of record by the prothonotary of the county where the property is situated. The department may transmit to prothonotaries of the various counties certified copies of all judgments, and it shall be the duty of each prothonotary to enter and docket them of record in the prothonotary's office and index them as judgments are indexed, without requiring payment of costs as a condition precedent to entry.

§ 3261. Third-party liability.

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

SUBCHAPTER F

(RESERVED)

SUBCHAPTER G

MISCELLANEOUS PROVISIONS

Sec.

3291. Well plugging funds.

3292. Local ordinances.

3293. Effect on department authority.

3294. Relationship to solid waste and surface mining.

3295. Regulatory authority.

§ 3291. Well plugging funds.

(a) Appropriation.--Fines, civil penalties and permit and registration fees collected under this chapter are appropriated to the department to carry out the purposes of this chapter.

(b) Surcharge.--To aid in indemnifying the Commonwealth for
the cost of plugging abandoned wells, a $50 surcharge is added

to the permit fee established by the department under section
3211 (relating to well permits) for new wells. Money collected

as a result of the surcharge shall be paid into a restricted

revenue account in the State Treasury to be known as the

Abandoned Well Plugging Fund and expended by the department to

plug abandoned wells threatening the health and safety of

persons or property or pollution of waters of this Commonwealth.

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

(1) A restricted revenue account to be known as the

Orphan Well Plugging Fund is created. A $100 surcharge for

wells to be drilled for oil production and a $200 surcharge

for wells to be drilled for gas production are added to the

permit fee established by the department under section 3211

for new wells. The surcharges shall be placed in the Orphan

Well Plugging Fund and expended by the department to plug

orphan wells. If an operator rehabilitates a well abandoned

by another operator or an orphan well, the permit fee and the

surcharge for the well shall be waived.

(2) The department shall study its experience in

implementing this section and shall report its findings to

the Governor and the General Assembly by August 1, 1992. The

report shall contain information relating to the balance of

the fund, number of wells plugged, number of identified wells

eligible for plugging and recommendations as to alternative

funding mechanisms.

(3) Expenditures by the department for plugging orphan

wells are limited to fees collected under this chapter. No

money from the General Fund shall be expended for this

purpose.
§ 3292. Local ordinances.

Except with respect to ordinances adopted under the act of July 31, 1968 (P.L.805, No.247), known as the Pennsylvania Municipalities Planning Code, the act of October 4, 1978 (P.L.851, No.166), known as the Flood Plain Management Act, and the act of March 31, 1927 (P.L.98, No.69), referred to as the Second Class City Zoning Law, local ordinances and enactments purporting to regulate oil and gas well operations regulated by this chapter are preempted and superseded by this chapter to the extent the ordinances and enactments regulate the method of oil and gas well operations. No ordinances or enactments adopted under those acts shall impose conditions, requirements or limitations on the method of oil and gas well operations regulated by this chapter or attempt to accomplish the purposes of this chapter. Nothing in this chapter shall affect the traditional power of local government to regulate zoning and land development of oil and gas activities as well as other aspects, such as the time and the place of operations to protect the health, safety and welfare of the general public through local ordinances and enactments THAT ARE INCONSISTENT WITH THIS PART.

§ 3293. Effect on department authority.

This chapter does not affect, limit or impair any right or authority of the department under the act of June 22, 1937 (P.L.1987, No.394), known as The Clean Streams Law, the act of January 8, 1960 (1959 P.L.2119, No.787), known as the Air Pollution Control Act, the act of November 26, 1978 (P.L.1375, No.325), known as the Dam Safety and Encroachments Act or the act of July 7, 1980 (P.L.380, No.97), known as the Solid Waste Management Act.
§ 3294. Relationship to solid waste and surface mining.

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

1. the well is permitted under the requirements of section 3211 (relating to well permits) or registered under section 3213 (relating to well registration and identification);
2. the owner or operator has satisfied the financial security requirements of section 3215 (relating to well location restrictions) 3225 (RELATING TO BONDING) by obtaining a surety or collateral bond for the well and well site; and
3. the owner or operator maintains compliance with this chapter and applicable regulations of the Environmental Quality Board.

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

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

(d) Definition.—As used in this section and sections 3216
(relating to well site restoration) and 3225 (relating to
bonding), the term "well site" means areas occupied by all
equipment or facilities necessary for or incidental to drilling,
production or plugging a well.

§ 3295. Regulatory authority.

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

CHAPTER 33

MODEL ORDINANCE

Sec.

3301. Model municipal ordinance.

3302. Local ordinance.

§ 3301. Model municipal ordinance.

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

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

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

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

(c) Adoption of provisions.

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

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

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

   (ii) Authorize natural gas compression stations:

      (A) as a permitted use by right in all agricultural, industrial and commercial districts;
(B) as a conditional use in all other zoning districts.

(iii) Authorize natural gas processing plants:
(A) as a permitted use by right in all industrial districts; and
(B) as a conditional use or special exception in agricultural districts.

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

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

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

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

(iv) Impose restrictions on vehicular access routes for overweight vehicles except as authorized under:
(A) 75 Pa.C.S. (relating to vehicles); or
(B) the Pennsylvania Municipalities Planning
(v) Regulate storm water, erosion and sedimentation control or grading where the use is subject to regulation by the department through an Erosion and Sedimentation Control General Permit or similar permit.

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

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

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

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

(g) Ordinance. (Reserved).

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

§ 3302. Local ordinance.
Nothing in this chapter shall impair or infringe upon the preemption or supersedeure of the regulation of gas wells under section 602 of the act of December 19, 1984 (P.L.1140, No.223), known as the Oil and Gas Act.

CHAPTER 33
LOCAL ORDINANCES RELATING TO OIL AND GAS OPERATIONS

SEC.

3301. SCOPE OF CHAPTER.

3302. DEFINITIONS.

3303. LOCAL ORDINANCES.

3304. REVIEW BY ATTORNEY GENERAL.

3305. CIVIL ACTIONS.

3306. COMMONWEALTH COURT MASTERS.

3307. ATTORNEY FEES AND COSTS.

3308. SANCTION.

3309. PROVISIONS OF LOCAL ORDINANCES.

3310. APPLICABILITY.

§ 3301. SCOPE OF CHAPTER.

THE PURPOSES OF THIS CHAPTER ARE TO:

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

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

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

§ 3302. DEFINITIONS.
THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
CONTEXT CLEARLY INDICATES OTHERWISE:

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

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

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

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

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

"OIL AND GAS OPERATIONS." THE TERM INCLUDES THE FOLLOWING:
(1) WELL LOCATION ASSESSMENT, INCLUDING SEISMIC
OPERATIONS, WELL SITE PREPARATION, CONSTRUCTION, DRILLING,
HYDRAULIC FRACTURING AND SITE RESTORATION ASSOCIATED WITH AN
OIL OR GAS WELL OF ANY DEPTH;
(2) WATER AND OTHER FLUID STORAGE OR IMPOUNDMENT AREAS
USED EXCLUSIVELY FOR OIL AND GAS OPERATIONS;
(3) CONSTRUCTION, INSTALLATION, USE, MAINTENANCE AND
REPAIR OF:
(I) OIL AND GAS PIPELINES;
(II) NATURAL GAS COMPRESSOR STATIONS; AND
(III) NATURAL GAS PROCESSING PLANTS OR FACILITIES
PERFORMING EQUIVALENT FUNCTIONS; AND

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

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

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

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

§ 3303. LOCAL ORDINANCES.


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

(C) CONSTRUCTION.--NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO IMPAIR OR INFRINGE ON THE PREEMPTION PROVISIONS OF
SECTION 3292 (RELATING TO LOCAL ORDINANCES).
§ 3304. REVIEW BY ATTORNEY GENERAL.
   (A) REQUEST OF OWNER OR OPERATOR.--AN OWNER OR OPERATOR OF
   AN OIL AND GAS OPERATION, OR ANY PERSON HAVING THE RIGHT TO
   ROYALTY PAYMENTS UNDER A LEASE OF OIL OR GAS MINERAL RIGHTS, MAY
   REQUEST THE ATTORNEY GENERAL TO REVIEW A LOCAL ORDINANCE TO
   DETERMINE WHETHER IT ALLOWS FOR THE REASONABLE DEVELOPMENT OF
   OIL AND GAS RESOURCES IN ACCORDANCE WITH THE PROVISIONS
   SPECIFICALLY Addressed IN THIS CHAPTER, CHAPTER 32 (RELATING TO
   REGULATION), THE MPC AND JUDICIAL DECISIONS OF THE COMMONWEALTH.
   (B) PREENACTMENT REVIEW.--A LOCAL GOVERNMENT MAY, PRIOR TO
   THE ENACTMENT OF A LOCAL ORDINANCE, REQUEST THE ATTORNEY GENERAL
   TO REVIEW THE ORDINANCE TO DETERMINE WHETHER IT ALLOWS FOR THE
   REASONABLE DEVELOPMENT OF OIL AND GAS RESOURCES IN ACCORDANCE
   WITH THE PROVISIONS OF THIS CHAPTER, CHAPTER 32, THE MPC AND
   JUDICIAL DECISIONS OF THE COMMONWEALTH.
   (C) TIME PERIOD FOR REVIEW.--WITHIN 120 DAYS OF RECEIVING A
   REQUEST UNDER SUBSECTION (A) OR (B), THE ATTORNEY GENERAL SHALL
   ADVISE IN WRITING THE PERSON THAT MADE THE REQUEST WHETHER OR
   NOT THE ATTORNEY GENERAL DETERMINES THAT THE LOCAL ORDINANCE
   PROVIDES FOR THE REASONABLE DEVELOPMENT OF OIL AND GAS RESERVES
   AND PROVIDE A COPY OF THE WRITTEN DETERMINATION TO THE AFFECTED
   LOCAL GOVERNMENT.

§ 3305. CIVIL ACTIONS.
   (A) ATTORNEY GENERAL.--THE ATTORNEY GENERAL MAY BRING AN
   ACTION AGAINST A LOCAL GOVERNMENT IN COMMONWEALTH COURT TO
   INVALIDATE OR ENJOIN THE ENFORCEMENT OF A LOCAL ORDINANCE THAT
   DOES NOT ALLOW FOR THE REASONABLE DEVELOPMENT OF OIL AND GAS
   RESOURCES.
   (B) PRIVATE RIGHT OF ACTION.--
(1) Notwithstanding any provision of 42 Pa.C.S. Ch. 85 Subch. C (relating to actions against local parties), any person who is aggrieved by the enactment or enforcement of a local ordinance that does not allow for the reasonable development of oil and gas resources in accordance with the provisions of Section 3292 (relating to local ordinances) may bring an action in Commonwealth Court to invalidate the ordinance or enjoin its enforcement.

(2) An aggrieved person may proceed without first obtaining review of the ordinance by the Attorney General or may proceed after receiving such review if the Attorney General determines that the ordinance fails to comply with this chapter but declines to bring an action under subsection (A).

(3) In an action brought relating to the enactment or enforcement of a local ordinance, the determination of the Attorney General made under Section 3304 (relating to review by Attorney General) shall become part of the record before the court.

§ 3306. Commonwealth Court Masters.

(A) General Rule.--The Commonwealth Court may promulgate rules for the selection and appointment of masters on a full-time or part-time basis to oversee actions brought under Section 3305 (relating to civil actions). A master must be a member of the bar of this Commonwealth. The number and compensation of masters shall be fixed by the Commonwealth Court, and their compensation shall be paid by the Commonwealth.

(B) Procedure.--

(1) The Commonwealth Court may direct that a hearing in an action brought under Section 3305 be conducted in the
FIRST INSTANCE BY THE MASTER IN THE MANNER PROVIDED FOR IN

THIS SECTION.

(2) UPON THE CONCLUSION OF A HEARING BEFORE A MASTER,

THE MASTER SHALL TRANSMIT WRITTEN FINDINGS AND

RECOMMENDATIONS FOR DISPOSITION TO THE PRESIDENT JUDGE.

PROMPT WRITTEN NOTICE AND COPIES OF THE FINDINGS AND

RECOMMENDATIONS SHALL BE GIVEN TO THE PARTIES TO THE

PROCEEDING.

(3) THE FINDINGS AND RECOMMENDATIONS OF THE MASTER SHALL

BECOME THE FINDINGS AND ORDER OF THE COMMONWEALTH COURT UPON

WRITTEN CONFIRMATION BY THE PRESIDENT JUDGE. A REHEARING MAY

BE ORDERED BY THE PRESIDENT JUDGE AT ANY TIME UPON CAUSE

SHOWN.

§ 3307. ATTORNEY FEES AND COSTS.

IN AN ACTION BROUGHT UNDER SECTION 3305 (RELATING TO CIVIL

ACTIONS), THE COURT MAY DO ANY OF THE FOLLOWING:

(1) IF THE COURT DETERMINES THAT THE LOCAL GOVERNMENT

ENACTED OR ENFORCED A LOCAL ORDINANCE WITH WILLFUL OR

RECKLESS DISREGARD FOR THE LIMITATION OF AUTHORITY

ESTABLISHED UNDER STATE LAW, IT MAY ORDER THE LOCAL

GOVERNMENT TO PAY THE PLAINTIFF REASONABLE ATTORNEY FEES AND

OTHER REASONABLE COSTS INCURRED BY THE PLAINTIFF IN

CONNECTION WITH THE ACTION.

(2) IF THE COURT DETERMINES THAT THE ACTION BROUGHT BY

THE PLAINTIFF WAS FRIVOLOUS OR WAS BROUGHT WITHOUT

SUBSTANTIAL JUSTIFICATION IN CLAIMING THAT THE LOCAL

ORDINANCE IN QUESTION WAS CONTRARY TO THE REQUIREMENTS OF

THIS CHAPTER OR CHAPTER 32 (RELATING TO REGULATIONS), THE OIL

AND GAS ACT, IT MAY ORDER THE PLAINTIFF TO PAY THE LOCAL

GOVERNMENT REASONABLE ATTORNEY FEES AND OTHER REASONABLE
§ 3308. SANCTION.

If the Attorney General, the Commonwealth Court or the Supreme Court determines that a local ordinance fails to provide for the reasonable development of oil and gas resources, the local government enacting or enforcing the local ordinance shall be immediately ineligible to receive any funds collected under Chapter 23 (relating to drilling impact fee). The local government shall remain ineligible to receive funds under Chapter 23 until the local government amends or repeals its local ordinance in accordance with this chapter.

§ 3309. PROVISIONS OF LOCAL ORDINANCES.

In order to allow for the reasonable development of oil and gas resources, a local ordinance must, in addition to complying with this chapter, Chapter 32 (relating to regulations) the Oil and Gas Act, the MPC and judicial decisions of the Commonwealth:

(1) Allow well and pipeline location assessment operations, including seismic operations and related activities conducted in accordance with all applicable federal and state laws and regulations relating to the storage and use of explosives throughout every local government.

(2) Impose conditions, requirements or limitations on oil and gas operations that are no more stringent than similar conditions, requirements or limitations imposed on construction activities for other land development within the zoning district where the oil and gas operations are situated.

(3) Impose conditions, requirements or limitations on
THE HEIGHT OF PERMANENT STRUCTURES, SETBACKS FROM PROPERTY
LINES, SCREENING AND FENCING, LIGHTING AND NOISE RELATING TO
OIL AND GAS OPERATIONS THAT ARE NO MORE STRINGENT THAN
SIMILAR CONDITIONS, REQUIREMENTS OR LIMITATIONS IMPOSED ON
INDUSTRIAL USES OR WHAT IS ALLOWED WITHIN THE PARTICULAR
ZONING DISTRICT WITHIN THE LOCAL GOVERNMENT WHERE THE OIL AND
GAS OPERATIONS ARE SITUATED OR STIPULATED IN OR SET FORTH IN
STATE STATUTE OR REGULATIONS PERTAINING TO OIL AND GAS
OPERATIONS.

(4) HAVE A REVIEW PERIOD FOR PERMITTED USES THAT DOES
NOT EXCEED 30 DAYS FOR COMPLETE SUBMISSIONS OR THAT EXCEEDS
120 DAYS FOR CONDITIONAL USES.

(5) AUTHORIZE OIL AND GAS OPERATIONS, OTHER THAN
ACTIVITIES IN OR AT IMPOUNDMENT AREAS, COMPRESSOR STATIONS
AND PROCESSING PLANTS, AS A PERMITTED USE IN ALL ZONING
DISTRICTS.

(5.1) NOTWITHSTANDING SECTION 3215 (RELATING TO WELL
LOCATION RESTRICTIONS) THE OIL AND GAS OPERATIONS UNDER
PARAGRAPH (5) MAY BE PROHIBITED, OR PERMITTED ONLY AS A
CONDITIONAL USE WITHIN A RESIDENTIAL DISTRICT WHERE A WELL
SITE CANNOT BE PLACED SO THAT THE WELLHEAD IS AT LEAST 500
FEET FROM ANY EXISTING BUILDING. IN A RESIDENTIAL DISTRICT,
ALL OF THE FOLLOWING APPLY:

(I) A WELL SITE MAY NOT BE LOCATED SO THAT THE OUTER
EDGE OF THE WELL PAD IS CLOSER THAN 300 FEET FROM AN
EXISTING BUILDING.

(II) EXCEPT AS SET FORTH IN PARAGRAPH (5) AND IN
THIS PARAGRAPH, OIL AND GAS OPERATIONS, OTHER THAN THE
PLACEMENT, USE AND REPAIR OF OIL AND GAS PIPELINES, WATER
PIPELINES, ACCESS ROADS OR SECURITY STRUCTURES AND
FENCING, MAY NOT TAKE PLACE WITHIN 300 FEET OF AN
EXISTING BUILDING.

(6) AUTHORIZED IMPOUNDMENT AREAS USED FOR OIL AND GAS
OPERATIONS AS A PERMITTED USE IN ALL ZONING DISTRICTS,
PROVIDED THAT THE EDGE OF ANY IMPOUNDMENT AREA SHALL NOT BE
LOCATED CLOSER THAN 300 FEET FROM AN EXISTING BUILDING.

(7) AUTHORIZED NATURAL GAS COMPRESSOR STATIONS AS A
PERMITTED USE IN AGRICULTURE AND INDUSTRIAL ZONING DISTRICTS
AND AS A CONDITIONAL USE IN ALL OTHER ZONING DISTRICTS, IF
THE NATURAL GAS COMPRESSOR BUILDING MEETS THE FOLLOWING
CONDITIONS:

(I) IS LOCATED 750 FEET OR MORE FROM THE NEAREST
EXISTING BUILDING OR 200 FEET FROM THE NEAREST LOT LINE,
WHICHERVER IS GREATER, UNLESS WAIVED BY THE OWNER OF THE
BUILDING OR ADJOINING LOT; AND

(II) DOES NOT EXCEED A NOISE STANDARD OF 60DBA AT
THE NEAREST PROPERTY LINE OR THE APPLICABLE STANDARD
IMPOSED BY FEDERAL LAW, WHICHERVER IS LESSER.

(8) AUTHORIZED NATURAL GAS PROCESSING PLANTS AS A
PERMITTED USE IN AN INDUSTRIAL ZONING DISTRICT AND AS
CONDITIONAL USES IN AGRICULTURAL ZONING DISTRICTS, IF THE
NATURAL GAS PROCESSING PLANT BUILDINGS MEET THE FOLLOWING
CONDITIONS:

(I) UNLESS THERE IS A WAIVER BY THE OWNER OF THE
BUILDING OR ADJOINING LOT, THE NATURAL GAS PROCESSING
PLANT BUILDING IS LOCATED AT THE GREATER OF:

(A) AT LEAST 750 FEET FROM THE NEAREST EXISTING
BUILDING; OR

(B) AT LEAST 200 FEET FROM THE NEAREST LOT LINE.

(II) THE NOISE LEVEL OF THE NATURAL GAS PROCESSING
PLANT AT THE PROPERTY LINE DOES NOT EXCEED THE LESSER OF:

(A) A NOISE STANDARD OF 60DBA; OR

(B) THE APPLICABLE STANDARD IMPOSED BY FEDERAL

LAW.

(9) IMPOSE RESTRICTIONS ON VEHICULAR ACCESS ROUTES FOR

OVERWEIGHT VEHICLES ONLY AS AUTHORIZED UNDER 75 PA.C.S.

(RELATING TO VEHICLES) OR THE MPC.

(10) DOES NOT ATTEMPT TO IMPOSE LIMITS OR CONDITIONS ON

SUBTERRANEAN OPERATIONS OR HOURS OF OPERATION.

§ 3310. APPLICABILITY.

THIS CHAPTER SHALL APPLY TO THE ENFORCEMENT OF LOCAL

ORDINANCES EXISTING ON THE DATE OF THIS SECTION AND TO THE

ENACTMENT OR ENFORCEMENT OF LOCAL ORDINANCES ENACTED ON OR AFTER

THE EFFECTIVE DATE OF THIS CHAPTER.

Section 2. Repeals are as follows:

(1) The General Assembly declares that the repeal under

paragraph (2) is necessary to effectuate the addition of 58

Pa.C.S. Ch. 32.

(2) The act of December 19, 1984 (P.L.1140, No.223),

known as the Oil and Gas Act, is repealed.

Section 3. The addition of 58 Pa.C.S. § 3225(a)(1), (2) and

(3) and (c) shall apply to wells drilled after the effective-

date of this section.

SECTION 3. THIS ACT SHALL APPLY AS FOLLOWS:

(1) THE ADDITION OF 58 PA.C.S. § 3225(A)(1)(III) SHALL

APPLY TO WELLS DRILLED AFTER THE EFFECTIVE DATE OF THIS

SECTION.

(2) THE ADDITION OF 58 PA.C.S. PT II SHALL APPLY TO ALL

OIL AND GAS DEPOSITS AND OIL AND GAS DEVELOPMENT ACTIVITIES

AND OPERATIONS SUBJECT TO THE JURISDICTION OF THE
COMMONWEALTH. WITH RESPECT TO OIL AND GAS DEPOSITS ON
NATIONAL FOREST LANDS IDENTIFIED UNDER SECTION 17(O) OF THE
MINERAL LEASING ACT (106 STAT. 3108, 30 U.S.C. § 226(O)), THE
APPLICATION OF REGULATIONS AND STATUTES ADOPTED BY THE
COMMONWEALTH SHALL BE THE EXCLUSIVE METHOD AND MEANS BY WHICH
ANY REQUIREMENTS MAY BE IMPOSED ON ANY FEATURE, ASPECT OR
PROCESS OF OIL AND GAS OPERATIONS PERTAINING TO THE
DEVELOPMENT OF THE DEPOSITS.

Section 4. The addition of 58 Pa.C.S. Ch. 32 is a
continuation of the act of December 19, 1984 (P.L.1140, No.223),
known as the Oil and Gas Act. The following apply:

(1) Except as otherwise provided in 58 Pa.C.S. Ch. 32,
all activities initiated under the Oil and Gas Act shall
continue and remain in full force and effect and may be
completed under 58 Pa.C.S. Ch. 32. Orders, regulations, rules
and decisions which were made under the Oil and Gas Act and
which are in effect on the effective date of section 2(2) of
this act shall remain in full force and effect until revoked,
vacated or modified under 58 Pa.C.S. Ch. 32. Contracts,
obligations and collective bargaining agreements entered into
under the Oil and Gas Act are not affected nor impaired by
the repeal of the Oil and Gas Act.

(2) Except as set forth in paragraph (3), any difference
in language between 58 Pa.C.S. Ch. 32 and the Oil and Gas Act
is intended only to conform to the style of the Pennsylvania
Consolidated Statutes and is not intended to change or affect
the legislative intent, judicial construction or
administration and implementation of the Oil and Gas Act.

(3) Paragraph (2) does not apply to the addition of the
following provisions:
The following definitions in section 3203:

(A) "Unconventional formation."

(B) "Unconventional well."

Section 3211(a) introductory paragraph, (b), (b.1), (b.2), (d), (e), (e.1)(5), (6) and (7), (f), (g) and (k).

Section 3215(a), (b), (c) introductory paragraph, (6) and (7) and (d), (D) AND (E).

Section 3218(a), (b.1), (b.2), (c), (c.1), (d) (1), (3), (4) and (5) and (g).

Section 3218.1.

Section 3218.2.

Section 3218.3.

Section 3218.4.

Section 3218.5.

Section 3218.6.

Section 3222(a.1), (b), (b.1), (b.2) and (b.3).

Section 3225(a)(1), (2) and (3) (iii) and (iv), (c), (d), (d.1) and (f).

Section 3253(c) and (f).

Section 3255(a) and (b).

Section 3256.

Section 3292.

SECTION 4.1. IT IS NOT THE INTENT OF THE GENERAL ASSEMBLY TO CHANGE, REPEAL OR OTHERWISE AFFECT ANY OF THE PROVISIONS OF THE ACT OF DECEMBER 18, 1984 (P.L. 1069, NO. 214), KNOWN AS THE COAL AND GAS RESOURCE COORDINATION ACT, OR TO CHANGE, REPEAL OR OTHERWISE AFFECT ANY OF THE PROVISIONS OF THE ACT OF JANUARY 26, 2011 (P.L.7, NO.2), ENTITLED "AN ACT AMENDING THE ACT OF 20110SB1100PN1777 - 146 -
DECEMBER 18, 1984 (P.L.1069, NO.214), ENTITLED 'AN ACT REQUIRING
COORDINATION OF COAL MINE AND GAS WELL OPERATORS; AUTHORIZING
DEPARTMENT OF ENVIRONMENTAL RESOURCES ENFORCEMENT POWERS; AND
PROVIDING PENALTIES,' FURTHER PROVIDING FOR DEFINITIONS, FOR
PERMITS, FOR PERMIT APPLICATION, FOR MINIMUM DISTANCE BETWEEN
GAS WELLS, FOR WELL CLASS DESIGNATION AND FOR COORDINATION OF
GAS WELL DRILLING THROUGH ACTIVE COAL MINES; PROVIDING FOR A
PILLAR SUPPORT STUDY; AND FURTHER PROVIDING FOR PLUGGING GAS
WELLS PENETRATING WORKABLE COAL SEAMS, FOR PENALTIES AND FOR
VALIDITY OF OTHER LAWS," WHICH AMENDED THE COAL AND GAS RESOURCE
COORDINATION ACT.

SECTION 4.2. WITHIN 180 DAYS OF THE EFFECTIVE DATE OF THIS
SECTION, THE DEPARTMENT OF TRANSPORTATION SHALL, BASED ON
ACCURATE DEPARTMENT RECORDS REFLECTING AVERAGE HISTORICAL
EXPENSES WHICH HAVE BEEN INCURRED IN THE REPAIR OF EXCESS
DAMAGES AND LEVELS OF USE BY INDUSTRIES, INCLUDING THE
TRANSPORTATION OF FOREST AND OTHER PRODUCTS, PUBLISH PROPOSED
REGULATIONS TO:

(1) ADOPT AN APPROPRIATE METHOD TO DETERMINE LEVELS OF
FINANCIAL SECURITY, DEGREES OF LIABILITY AND BONDING
REQUIREMENTS FOR HAULING IN EXCESS OF POSTED WEIGHT LIMITS ON
STATE AND LOCAL ROADS IN COUNTIES WHERE THERE ARE
UNCONVENTIONAL GAS WELLS; AND

(2) IMPOSE BONDING REQUIREMENTS BASED ON LEVELS OF USE
BY INDUSTRY.

Section 5. This act shall take effect as follows:

(1) The following provisions shall take effect
immediately:

(i) This section.


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(I) THE ADDITION OF 58 PA.C.S. § 3301.

(II) SECTION 4.1 OF THIS ACT.

(III) SECTION 4.2 OF THIS ACT.

(IV) THIS SECTION.

(2) Except for the addition of 58 Pa.C.S. § 3301, the addition of 58 Pa.C.S. Ch. 33 shall take effect in 30 days.

(2.1) THE ADDITION OF 58 PA.C.S. § 3215 SHALL TAKE EFFECT IN 120 DAYS.

(3) The addition of 58 Pa.C.S. § 3225 shall take effect in 180 days.

(4) The remainder of this act shall take effect in 60 days.