

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

# HOUSE RESOLUTION

No. 394 Session of  
2003

---

INTRODUCED BY HUTCHINSON, S. H. SMITH, McILHATTAN, BARD, CAUSER,  
DALLY, FORCIER, LYNCH, METCALFE, R. MILLER, REED, ROSS,  
SATHER, STERN, R. STEVENSON AND WILT, SEPTEMBER 16, 2003

---

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
SEPTEMBER 16, 2003

---

A CONCURRENT RESOLUTION

1 Directing the Joint Legislative Air and Water Pollution Control  
2 and Conservation Committee to undertake a study of the oil  
3 and gas leasing activities of the Department of Conservation  
4 and Natural Resources; and urging the Department of  
5 Conservation and Natural Resources to postpone certain action  
6 until completion of the study.

7 WHEREAS, This Commonwealth possesses an abundance of  
8 indigenous natural gas resources on Commonwealth-owned land; and

9 WHEREAS, Energy consumers in this Commonwealth and other  
10 states have benefited from the production of more than 380  
11 billion cubic feet of natural gas from leases of Commonwealth-  
12 owned land since 1945; and

13 WHEREAS, Since 1955, the Department of Conservation and  
14 Natural Resources has had exclusive use of more than \$121.7  
15 million in rents and royalties from oil and gas production and  
16 storage leases in the Oil and Gas Lease Fund to finance  
17 conservation, recreation, dam and flood control projects that  
18 are not otherwise funded by appropriations from the General  
19 Fund; and

1 WHEREAS, Since 1982, development of the Council Run shallow  
2 natural gas field in Centre and Clinton Counties has resulted in  
3 \$21.2 million in royalty and rental income for the Department of  
4 Conservation and Natural Resources and has produced 62.5 billion  
5 cubic feet of natural gas; and

6 WHEREAS, The draft final State Forest Resource Management  
7 Plan of the Department of Conservation and Natural Resources  
8 adopts a new policy of terminating all future shallow natural  
9 gas leasing of Commonwealth-owned lands with no public  
10 discussion of the rationale or justification for this historic  
11 policy change; and

12 WHEREAS, In 2002 an effort by the Department of Conservation  
13 and Natural Resources to auction 218,000 acres of Commonwealth-  
14 owned land for the exploration and development of speculative  
15 deep gas reserves in the Trenton-Black River geological  
16 formation failed to attract more than one serious bidder; and

17 WHEREAS, The Department of Conservation and Natural Resources  
18 currently leases only 7% of the State forest land acreage under  
19 its jurisdiction for natural gas production; therefore be it

20 RESOLVED (the Senate concurring), That the General Assembly  
21 direct the Joint Legislative Air and Water Pollution Control and  
22 Conservation Committee to undertake a study of the oil and gas  
23 leasing activities of the Department of Conservation and Natural  
24 Resources which shall include:

25 (1) an assessment of the economic and environmental  
26 benefits and costs of oil and gas exploration and development  
27 carried out on Commonwealth-owned land;

28 (2) a determination of the reasons underlying the draft  
29 final State Forest Resource Management Plan policy of  
30 terminating all future shallow natural gas leasing on the

1 forest lands under the jurisdiction of the Department of  
2 Conservation and Natural Resources;

3 (3) an evaluation of the terms, conditions,  
4 restrictions, fees and management provisions in the  
5 Department of Conservation and Natural Resources 2002  
6 standard oil and gas lease to determine whether and how the  
7 Commonwealth might promote or impede robust competition for  
8 oil and gas leases of State forest lands for natural gas  
9 exploration and development and ensure protection of the  
10 environment; and

11 (4) a catalog of the conservation, recreation, dam and  
12 flood control and other projects carried out by the  
13 Department of Conservation and Natural Resources with the  
14 funds available to it from the Oil and Gas Lease Fund;

15 and be it further

16 RESOLVED, That the Joint Legislative Air and Water Pollution  
17 Control and Conservation Committee prepare a report containing  
18 its findings and recommendations, including any necessary  
19 legislation, and deliver it to the General Assembly as soon as  
20 possible; and be it further

21 RESOLVED, That the Department of Conservation and Natural  
22 Resources be urged to postpone adoption of a final policy  
23 regarding future shallow natural gas leasing of Commonwealth-  
24 owned lands under its jurisdiction until after the General  
25 Assembly receives and considers the findings and recommendations  
26 prepared by the Joint Legislative Air and Water Pollution  
27 Control and Conservation Committee under this resolution.