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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**

**No. 2227** Session of  
2008

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INTRODUCED BY HANNA, BELFANTI, CONKLIN, DENLINGER, DONATUCCI,  
GEORGE, GODSHALL, GRUCELA, HERSHEY, JAMES, KORTZ, MAHONEY,  
READSHAW, K. SMITH, SOLOBAY, THOMAS, J. WHITE AND WOJNAROSKI,  
FEBRUARY 5, 2008

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REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
FEBRUARY 5, 2008

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AN ACT

1 Amending the act of December 19, 1984 (P.L.1140, No.223),  
2 entitled "An act relating to the development of oil and gas  
3 and coal; imposing duties and powers on the Department of  
4 Environmental Resources; imposing notification requirements  
5 to protect landowners; and providing for definitions, for  
6 various requirements to regulate the drilling and operation  
7 of oil and gas wells, for gas storage reservoirs, for various  
8 reporting requirements, including certain requirements  
9 concerning the operation of coal mines, for well permits, for  
10 well registration, for distance requirements, for well casing  
11 requirements, for safety device requirements, for storage  
12 reservoir obligations, for well bonding requirements, for a  
13 Well Plugging Restricted Revenue Account to enforce oil and  
14 gas well plugging requirements, for the creation of an Oil  
15 and Gas Technical Advisory Board, for oil and gas well  
16 inspections, for enforcement and for penalties," further  
17 providing for the definition of "department"; and providing  
18 for securing compensation for surface damage.

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

21 Section 1. The definition of "department" in section 103 of  
22 the act of December 19, 1984 (P.L.1140, No.223), known as the  
23 Oil and Gas Act, is amended to read:

24 Section 103. Definitions.

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

4 \* \* \*

5 "Department." The Department of Environmental [Resources]  
6 Protection of the Commonwealth.

7 \* \* \*

8 Section 2. The act is amended by adding a section to read:

9 Section 512. Procedure for securing compensation for damage to  
10 surface landowner's property caused by oil or gas  
11 drilling or exploration; duties of the  
12 department.

13 (a) A surface landowner who believes that the drilling, well  
14 installation or exploration for oil or gas has caused damage to  
15 any structure, surface ground or vegetation on his property and  
16 who wishes compensation for any damage, including compensation  
17 for the loss of use of his property, shall notify the owner of  
18 the drill, well operator or oil or gas explorer. If the owner of  
19 the drill, well operator or oil or gas explorer agrees that oil  
20 or gas drilling, well installation or exploration damaged such  
21 structure, ground or vegetation, he shall compensate the surface  
22 landowner for the damage or reach an agreement either prior to  
23 drilling or exploration or after the damage has occurred.

24 (b) If the parties are unable to agree within six months of  
25 the date of notice as to the cause of the damage or the  
26 reasonable cost of compensation, the surface landowner may file  
27 a claim in writing with the department, a copy of which shall be  
28 filed within two years of the date damage to the building,  
29 surface ground, trees or vegetation occurred.

30 (c) The department shall make an investigation of a claim

1 within 30 days of the receipt of the claim. The department  
2 shall, within 60 days following the investigation, make a  
3 determination in writing as to whether the drilling, well  
4 installation or exploration of oil or gas caused the damage and,  
5 if so, the reasonable cost of repairing or replacing the damage,  
6 including the reasonable cost of the loss of use to the surface  
7 landowner's property. If the department finds the damage to be  
8 caused by drilling or exploration, it shall issue a written  
9 order directing the owner of the drill, well operator or oil or  
10 gas explorer to make repairs within six months or a longer  
11 period if the department finds that occurrence of subsequent  
12 damage may occur to the same building as a result of drilling or  
13 exploration.

14 (d) In no event shall the owner, well operator or oil or gas  
15 explorer be liable for repairs or compensation in an amount  
16 exceeding the cost of replacement of the damaged structure,  
17 ground or vegetation, including the cost of loss of use to the  
18 property. The surface landowner shall also be entitled to  
19 additional payment for reasonable, incidental costs agreed to by  
20 the parties or approved by the department.

21 (e) If the owner of the drill, well operator or oil or gas  
22 explorer fails to repair or compensate for any damage within six  
23 months or a longer period as the department has established or  
24 fails to perfect an appeal of the department's order directing  
25 repair or compensation, the department shall issue an order and  
26 take any actions that are necessary to compel compliance with  
27 the requirements of this section, including, but not limited to,  
28 a cessation order or a permit revocation.

29 Section 3. This act shall take effect in 60 days.