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## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## **SENATE BILL** No. 1100 Session of 2011

INTRODUCED	BY SCARNATI	, CORMAN	, BROWNE	I, VOGEL,	SMUCKER,
D. WHITE	E, BRUBAKER,	PIPPY,	MENSCH,	YAW AND	PICCOLA,
MAY 16,	2011				

SENATOR CORMAN, APPROPRIATIONS, RE-REPORTED AS AMENDED, NOVEMBER 14, 2011

## AN ACT

1 2 3 4 5 6 7 8 9 10 11	Amending Title 58 (Oil and Gas) of the Pennsylvania Consolidated Statutes, consolidating the Oil and Gas Act with modifications relating to definitions, well permits, well location restrictions, protection of water supplies, well reporting requirements, bonding, enforcement orders, penalties, civil penalties and local ordinances; providing for containment, for transportation regulations, for emergency response information, FOR NOTIFICATION TO PUBLIC DRINKING WATER SYSTEMS, FOR CORROSION CONTROL REQUIREMENTS, FOR GATHERING LINES and for model ordinance; providing for a model zoning ordinance; and making a related repeal.
12	The General Assembly of the Commonwealth of Pennsylvania
13	hereby enacts as follows:
14	Section 1. Title 58 of the Pennsylvania Consolidated
15	Statutes is amended by adding parts to read:
16	PART I
17	(RESERVED)
18	PART II
19	OVERSIGHT AND DEVELOPMENT
20	<u>Chapter</u>
21	23. DRILLING IMPACT FEE

1	25. NATURAL GAS ENERGY DEVELOPMENT PROGRAM
2	31. (Reserved)
3	32. Regulation
4	33. Model Ordinance
5	33. LOCAL ORDINANCES RELATING TO OIL AND GAS OPERATIONS
6	<u>CHAPTER 23</u>
7	DRILLING IMPACT FEE
8	<u>SEC.</u>
9	2301. DEFINITIONS.
10	2302. SHALE IMPACT FEE.
11	2303. ADMINISTRATION.
12	2304. WELL INFORMATION.
13	2305. DUTIES OF DEPARTMENT.
14	<u>2306. (RESERVED).</u>
15	2307. COMMISSION.
16	2308. ENFORCEMENT.
17	2309. ENFORCEMENT ORDERS.
18	2310. ADMINISTRATIVE PENALTIES.
19	<u>2311. (RESERVED).</u>
20	2312. RECORDKEEPING.
21	2313. EXAMINATIONS.
22	2314. DISTRIBUTION OF FEE.
23	2315. STATEWIDE INITIATIVES.
24	2316. DIVERSE BUSINESS PARTICIPATION.
25	2317. APPLICABILITY.
26	2318. EXPIRATION.
27	<u>§ 2301. DEFINITIONS.</u>
28	THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
29	SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE

30 <u>CONTEXT CLEARLY INDICATES OTHERWISE:</u>

1	"ACCOUNT." THE SHALE IMPACT ACCOUNT.
2	"AVERAGE ANNUAL PRICE OF NATURAL GAS." THE ARITHMETIC MEAN
3	OF THE NEW YORK MERCANTILE EXCHANGE (NYMEX) HENRY HUB SETTLED
4	PRICE ON THE LAST TRADING DAY OF EACH MONTH OF A CALENDAR YEAR
5	AS REPORTED BY THE WALL STREET JOURNAL FOR THE 12-MONTH PERIOD
6	ENDING DECEMBER 31.
7	"COMMISSION." THE PENNSYLVANIA PUBLIC UTILITY COMMISSION.
8	"DEPARTMENT." THE DEPARTMENT OF ENVIRONMENTAL PROTECTION OF
9	THE COMMONWEALTH.
10	"ELIGIBLE APPLICANT." A COUNTY, MUNICIPALITY, COUNCIL OF
11	GOVERNMENTS, WATERSHED ORGANIZATION, INSTITUTION OF HIGHER
12	EDUCATION, NONPROFIT ORGANIZATION OR AN AUTHORIZED ORGANIZATION
13	AS DEFINED IN 27 PA.C.S. § 6103 (RELATING TO DEFINITIONS).
14	"FEE." THE SHALE IMPACT FEE IMPOSED UNDER SECTION 2302
15	(RELATING TO SHALE IMPACT FEE).
16	"HIGHWAY MILEAGE." THE NUMBER OF MILES OF PUBLIC ROADS AND
17	STREETS MOST RECENTLY CERTIFIED BY THE DEPARTMENT OF
18	TRANSPORTATION AS ELIGIBLE FOR DISTRIBUTION OF LIQUID FUELS
19	FUNDS UNDER THE ACT OF JUNE 1, 1956 (1955 P.L.1944, NO.655),
20	REFERRED TO AS THE LIQUID FUELS TAX MUNICIPAL ALLOCATION LAW.
21	"MUNICIPALITY." A BOROUGH, CITY, TOWN OR TOWNSHIP.
22	"NATURAL GAS." A FOSSIL FUEL CONSISTING OF A MIXTURE OF
23	HYDROCARBON GASES, PRIMARILY METHANE, AND POSSIBLY INCLUDING
24	ETHANE, PROPANE, BUTANE, PENTANE, CARBON DIOXIDE, OXYGEN,
25	NITROGEN AND HYDROGEN SULFIDE AND OTHER GAS SPECIES. THE TERM
26	INCLUDES NATURAL GAS FROM OIL FIELDS KNOWN AS ASSOCIATED GAS OR
27	CASING HEAD GAS, NATURAL GAS FIELDS KNOWN AS NONASSOCIATED GAS,
28	COAL BEDS, SHALE BEDS AND OTHER FORMATIONS. THE TERM DOES NOT
29	INCLUDE COAL BED METHANE.
30	"NATURAL GAS LIQUIDS." HYDROCARBONS IN NATURAL GAS WHICH ARE

1	SEPARATED FROM THE GAS AS LIQUIDS THROUGH THE PROCESS OF
2	ABSORPTION, CONDENSATION, ADSORPTION OR OTHER METHODS IN GAS
3	PROCESSING OF CYCLING PLANTS.
4	"NUMBER OF PRODUCING UNCONVENTIONAL WELLS." THE MOST RECENT
5	NUMERICAL COUNT OF PRODUCING UNCONVENTIONAL WELLS ON THE
6	INVENTORY MAINTAINED AND PROVIDED TO THE COMMISSION BY THE
7	DEPARTMENT AS OF THE LAST DAY OF EACH MONTH.
8	"PRICE ADJUSTMENT FACTOR." ONE OF A RANGE OF NUMERICAL
9	VALUES USED TO COMPUTE THE ADJUSTED FEE UNDER SECTION 2302
10	(RELATING TO SHALE IMPACT FEE). THE PRICE ADJUSTMENT FACTOR
11	SHALL BE DETERMINED AS FOLLOWS:
12	(1) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS LESS
13	THAN \$5.01, THE PRICE ADJUSTMENT FACTOR SHALL BE 1.0.
14	(2) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS \$5.01
15	TO \$6.00, THE PRICE ADJUSTMENT FACTOR SHALL BE 1.25.
16	(3) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS \$6.01
17	TO \$7.00, THE PRICE ADJUSTMENT FACTOR SHALL BE 1.75.
18	(4) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS \$7.01
19	TO \$8.00, THE PRICE ADJUSTMENT FACTOR SHALL BE 2.25.
20	(5) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS IS
21	GREATER THAN \$8.00, THE PRICE ADJUSTMENT FACTOR SHALL BE
22	<u>2.75.</u>
23	"PRODUCER." A PERSON OR ITS SUBSIDIARY, AFFILIATE OR HOLDING
24	COMPANY THAT HOLDS A PERMIT OR OTHER AUTHORIZATION TO ENGAGE IN
25	THE BUSINESS OF SEVERING NATURAL GAS FOR SALE, PROFIT OR
26	COMMERCIAL USE FROM AN UNCONVENTIONAL WELL IN THIS COMMONWEALTH.
27	THE TERM SHALL NOT INCLUDE A PRODUCER THAT SEVERS NATURAL GAS
28	FROM A SITE USED TO STORE NATURAL GAS THAT DID NOT ORIGINATE
29	FROM THE SITE.
30	"STRIPPER WELL." A GAS WELL INCAPABLE OF PRODUCING MORE THAN

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1	90,000 CUBIC FEET OF GAS PER DAY DURING A CALENDAR MONTH,
2	INCLUDING PRODUCTION FROM ALL ZONES AND MULTILATERAL WELL BORES
3	AT A SINGLE WELL, WITHOUT REGARD TO WHETHER THE PRODUCTION IS
4	SEPARATELY METERED.
5	"UNCONVENTIONAL FORMATION." A GEOLOGICAL SHALE FORMATION
6	EXISTING BELOW THE BASE OF THE ELK SANDSTONE OR ITS GEOLOGIC
7	EQUIVALENT STRATIGRAPHIC INTERVAL WHERE NATURAL GAS GENERALLY
8	CANNOT BE PRODUCED AT ECONOMIC FLOW RATES OR IN ECONOMIC VOLUMES
9	EXCEPT BY VERTICAL OR HORIZONTAL WELL BORES STIMULATED BY
10	HYDRAULIC FRACTURE TREATMENTS OR BY USING MULTILATERAL WELL
11	BORES OR OTHER TECHNIQUES TO EXPOSE MORE OF THE FORMATION OF THE
12	WELL BORE.
13	"UNCONVENTIONAL WELL." A BORE HOLE DRILLED OR BEING DRILLED
14	FOR THE PURPOSE OF OR TO BE USED FOR THE PRODUCTION OF NATURAL
15	GAS FROM AN UNCONVENTIONAL FORMATION.
16	"VERTICAL GAS WELL." AN UNCONVENTIONAL WELL WHICH BEGINS AS
17	A VERTICAL LINEAR BORE AND IS NOT INTENTIONALLY DEVIATED FROM
18	THE VERTICAL.
19	<u>§ 2302. SHALE IMPACT FEE.</u>
20	(A) IMPOSITIONBEGINNING JANUARY 1, 2011, THERE SHALL BE
21	IMPOSED A SHALE IMPACT FEE ON EACH UNCONVENTIONAL WELL PRODUCING
22	NATURAL GAS IN THIS COMMONWEALTH. THE FEE UNDER THIS SECTION
23	SHALL NOT APPLY TO A STRIPPER WELL.
24	(B) COMPONENTS PRIOR TO THE ADJUSTMENT UNDER SUBSECTION
25	(C), THE FEE SHALL CONSIST OF AN ANNUAL BASE FEE FOR EACH
26	UNCONVENTIONAL WELL AS FOLLOWS:
27	(1) FOR THE FIRST YEAR OF PRODUCTION, THE FEE SHALL BE
28	<u>\$50,000.</u>
29	(2) FOR THE SECOND YEAR OF PRODUCTION, THE FEE SHALL BE
30	<u>\$40,000.</u>

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1	(3) FOR THE THIRD YEAR OF PRODUCTION, THE FEE SHALL BE
2	<u>\$30,000.</u>
3	(4) FOR THE FOURTH YEAR OF PRODUCTION THROUGH THE TENTH
4	YEAR OF PRODUCTION, THE FEE SHALL BE \$20,000.
5	(5) FOR THE ELEVENTH YEAR OF PRODUCTION THROUGH THE
6	TWENTIETH YEAR, THE FEE SHALL BE \$10,000.
7	(C) ANNUAL ADJUSTMENT
8	(1) THE FEE SHALL BE ADJUSTED BY MULTIPLYING THE BASE
9	FEE AMOUNT TIMES THE PRICE ADJUSTMENT FACTOR ROUNDED TO THE
10	<u>NEAREST \$100.</u>
11	(2) THE FEE FOR A VERTICAL GAS WELL SHALL NOT BE SUBJECT
12	TO ADJUSTMENT UNDER PARAGRAPH (1) AND SHALL BE COMPUTED AS
13	FOLLOWS:
14	(I) THE FEE FOR A VERTICAL GAS WELL CAPABLE OF
15	PRODUCING MORE THAN 180,000 CUBIC FEET OF GAS PER DAY
16	DURING A CALENDAR MONTH SHALL BE ONE-HALF OF THE AMOUNTS
17	UNDER SUBSECTION (B).
18	(II) THE FEE FOR A VERTICAL GAS WELL CAPABLE OF
19	PRODUCING MORE THAN 90,000 BUT LESS THAN 180,000 CUBIC
20	FEET OF GAS PER DAY DURING A CALENDAR MONTH SHALL BE ONE-
21	FOURTH OF THE AMOUNTS UNDER SUBSECTION (B).
22	(D) RE-STIMULATED WELLS
23	(1) A WELL WHICH AFTER RE-STIMULATION QUALIFIES AS A
24	STRIPPER WELL SHALL NOT BE SUBJECT TO THIS SUBSECTION.
25	(2) THE YEAR IN WHICH THE RE-STIMULATION OCCURS SHALL BE
26	CONSIDERED THE FIRST YEAR OF PRODUCTION FOR PURPOSES OF
27	IMPOSING THE FEE UNDER SUBSECTION (B) IF:
28	(I) A PRODUCER RE-STIMULATES A PREVIOUSLY STIMULATED
29	UNCONVENTIONAL WELL FOLLOWING THE TENTH YEAR OF
30	PRODUCTION BY:

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1	(A) HYDRAULIC FRACTURE TREATMENTS;
2	(B) USING ADDITIONAL MULTILATERAL WELL BORES;
3	(C) DRILLING DEEPER INTO AN UNCONVENTIONAL
4	FORMATION; OR
5	(D) OTHER TECHNIQUES TO EXPOSE MORE OF THE
6	FORMATION OF THE WELL BORE; AND
7	(II) THE RE-STIMULATION RESULTS IN A SUBSTANTIAL
8	INCREASE IN PRODUCTION.
9	(3) AS USED IN THIS SUBSECTION, THE TERM "SUBSTANTIAL
10	INCREASE IN PRODUCTION" MEANS AN INCREASE IN PRODUCTION
11	AMOUNTING TO MORE THAN 90,000 CUBIC FEET OF GAS PER DAY
12	DURING A CALENDAR MONTH.
13	(D.1) REOPENED WELLSIF A PRODUCER REOPENS A PREVIOUSLY
14	CAPPED WELL OR UNCONVENTIONAL WELL AND PLACES THE WELL INTO
15	PRODUCTION, ALL OF THE FOLLOWING APPLY:
16	(1) THE YEARS DURING WHICH THE WELL OR UNCONVENTIONAL
17	WELL WAS CAPPED SHALL NOT BE CONSIDERED AS A YEAR OF
18	PRODUCTION.
19	(2) THE FEE SHALL BE REINSTATED BASED UPON THE ACTUAL
20	YEAR OF PRODUCTION UNDER SUBSECTIONS (B) AND (D).
21	(E) CESSATIONPAYMENTS OF THE ANNUAL FEE SHALL CEASE UPON
22	CERTIFICATION TO THE DEPARTMENT BY THE OPERATOR THAT THE
23	UNCONVENTIONAL WELL HAS CEASED PRODUCTION AND HAS BEEN PLUGGED
24	ACCORDING TO THE REGULATIONS ESTABLISHED BY THE DEPARTMENT.
25	<u>§ 2303. ADMINISTRATION.</u>
26	(A) COMMISSIONON OR BEFORE JANUARY 31 OF EACH YEAR, THE
27	COMMISSION SHALL CALCULATE AND DETERMINE THE AVERAGE ANNUAL
28	PRICE OF NATURAL GAS FOR THE PREVIOUS CALENDAR YEAR.
29	(B) NOTICENOTICE OF THE AVERAGE ANNUAL PRICE AND THE
30	ANNUAL FEE SCHEDULE PER WELL SHALL BE PROVIDED TO PRODUCERS

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1	OPERATING UNCONVENTIONAL WELLS AND SHALL BE PUBLISHED ON THE
2	COMMISSION'S INTERNET WEBSITE.
3	(C) METHODIF PUBLICATION OF THE NEW YORK MERCANTILE
4	EXCHANGE (NYMEX) HENRY HUB SETTLED PRICE IS DISCONTINUED, THE
5	AVERAGE ANNUAL PRICE OF NATURAL GAS THEN IN EFFECT SHALL NOT BE
6	ADJUSTED UNTIL A COMPARABLE METHOD TO DETERMINE THE AVERAGE
7	ANNUAL PRICE OF NATURAL GAS IS ADOPTED BY COMMISSION RULE. IF
8	THE BASE DATA OF THE NYMEX HENRY HUB SETTLED PRICE IS
9	SUBSTANTIALLY REVISED, THE COMMISSION SHALL MAKE APPROPRIATE
10	CHANGES TO ENSURE THAT THE AVERAGE ANNUAL PRICE OF NATURAL GAS
11	IS REASONABLY CONSISTENT WITH THE RESULT THAT WOULD HAVE BEEN
12	ATTAINED HAD THE SUBSTANTIAL REVISION NOT BEEN MADE.
13	(D) REPORTBY MARCH 1, 2012, AND EACH MARCH 1 THEREAFTER,
14	EACH PRODUCER SHALL SUBMIT A PRODUCTION REPORT TO THE COMMISSION
15	ON A FORM PRESCRIBED BY THE COMMISSION FOR THE PREVIOUS CALENDAR
16	YEAR. THE REPORT SHALL INCLUDE THE FOLLOWING:
17	(1) ANNUAL UNITS OF PRODUCTION SEVERED BY THE PRODUCER
18	FOR EACH UNCONVENTIONAL WELL FOR THE REPORTING PERIOD.
19	(2) THE NUMBER OF PRODUCING UNCONVENTIONAL WELLS OF A
20	PRODUCER IN EACH COUNTY AND MUNICIPALITY.
21	(E) FEE FOR 2011FOR CALENDAR YEAR 2011, THE FEE DUE SHALL
22	<u>BE PAID AS FOLLOWS:</u>
23	(1) FIFTY PERCENT OF THE FEE SHALL BE PAID BY MARCH 1,
24	<u>2012.</u>
25	(2) FIFTY PERCENT OF THE FEE SHALL BE PAID BY JUNE 1,
26	<u>2012.</u>
27	(F) FEE DUE DATEEXCEPT AS PROVIDED UNDER SUBSECTION (E),
28	THE FEE SHALL BE DUE ON MARCH 1 AND EACH YEAR THEREAFTER. THE
29	FEE SHALL BECOME DELINQUENT IF NOT REMITTED TO THE COMMISSION BY
30	THE DUE DATE.

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(G) COSTS OF COMMISSION. --

2 (1) WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS 3 SUBSECTION, AND EACH YEAR THEREAFTER, THE COMMISSION MAY 4 IMPOSE AN ANNUAL FEE NOT TO EXCEED \$100 PER WELL ON EACH 5 REPORTING PRODUCER TO PAY FOR THE ACTUAL COSTS OF THE 6 COMMISSION TO ADMINISTER AND ENFORCE THIS CHAPTER AND CHAPTER 7 25 (RELATING TO NATURAL GAS ENERGY DEVELOPMENT PROGRAM). 8 (2) BY MARCH 31, 2012 AND EACH YEAR THEREAFTER, THE 9 COMMISSION SHALL DETERMINE FOR THE PRECEDING CALENDAR YEAR THE AMOUNT OF ITS ACTUAL EXPENDITURES DIRECTLY ATTRIBUTABLE 10 TO THE ADMINISTRATION AND ENFORCEMENT OF THIS CHAPTER AND 11 CHAPTER 25. THE COMMISSION SHALL SUBTRACT THE AMOUNT OF FEES 12 13 COLLECTED UNDER PARAGRAPH (1) IN THAT CALENDAR YEAR AND ASSESS ANY REMAINING BALANCE ON ALL PRODUCERS SUBJECT TO THE 14 IMPACT FEE IN PROPORTION TO THE NUMBER OF WELLS OWNED BY EACH 15 16 PRODUCER. 17 (3) EACH PRODUCER SHALL BE ASSESSED FOR AND SHALL PAY TO 18 THE COMMISSION THAT PROPORTION OF THE AMOUNT DETERMINED UNDER PARAGRAPH (2) AND ALLOCATED TO THE PRODUCER FOR THAT YEAR. 19 20 § 2304. WELL INFORMATION. 21 (A) LIST.--WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS 22 SECTION, THE DEPARTMENT SHALL PROVIDE THE COMMISSION WITH A LIST 23 OF ALL UNCONVENTIONAL WELLS THAT HAVE RECEIVED A DRILLING PERMIT 24 FROM THE DEPARTMENT. THE DEPARTMENT SHALL UPDATE THE LIST AND 25 PROVIDE IT TO THE COMMISSION ON A MONTHLY BASIS. 26 (B) UPDATES.--A PRODUCER SUBJECT TO THE FEE SHALL NOTIFY THE 27 COMMISSION OF THE FOLLOWING WITHIN 30 DAYS AFTER A CALENDAR 28 MONTH IN WHICH THE CHANGE OCCURS: 29 (1) THE INITIATION OF PRODUCTION AT AN UNCONVENTIONAL 30 WELL.

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1	(2) THE REMOVAL OF AN UNCONVENTIONAL WELL FROM
2	PRODUCTION.
3	<u>§ 2305. DUTIES OF DEPARTMENT.</u>
4	(A) CONFIRMATION OF PAYMENT PRIOR TO ISSUING A PERMIT TO
5	DRILL AN UNCONVENTIONAL WELL IN THIS COMMONWEALTH, THE
6	DEPARTMENT SHALL DETERMINE WHETHER THE PRODUCER HAS PAID ALL
7	FEES OWED FOR AN EXISTING WELL UNDER SECTION 2302 (RELATING TO
8	SHALE IMPACT FEE).
9	(B) PROHIBITIONTHE DEPARTMENT SHALL NOT ISSUE A PERMIT TO
10	DRILL AN UNCONVENTIONAL WELL UNTIL ALL FEES OWED UNDER SECTION
11	2302 THAT ARE NOT IN DISPUTE HAVE BEEN PAID TO THE COMMISSION.
12	(C) PAYMENT OF FEES THE COMMISSION SHALL PROVIDE THE
13	DEPARTMENT WITH INFORMATION NECESSARY TO DETERMINE THAT THE
14	PRODUCER HAS PAID ALL FEES OWED FOR AN EXISTING WELL UNDER
15	SECTION 2302.
16	<u>§ 2306. (RESERVED).</u>
17	<u>§ 2307. COMMISSION.</u>
18	(A) POWERS THE COMMISSION SHALL HAVE THE AUTHORITY TO MAKE
19	ALL INQUIRIES AND DETERMINATIONS NECESSARY TO CALCULATE AND
20	COLLECT THE FEE IMPOSED UNDER THIS CHAPTER, INCLUDING, IF
21	APPLICABLE, INTEREST AND PENALTIES.
22	(B) NOTICEIF THE COMMISSION DETERMINES THAT THE FEE HAS
23	NOT BEEN PAID IN FULL, IT MAY ISSUE A NOTICE OF THE AMOUNT DUE
24	AND DEMAND FOR PAYMENT AND SHALL SET FORTH THE BASIS FOR THE
25	DETERMINATION.
26	(C) ADDRESSNOTICE OF FAILURE TO PAY THE CORRECT FEE SHALL
27	BE SENT TO THE PRODUCER VIA CERTIFIED MAIL.
28	(D) TIME PERIODEXCEPT AS SET FORTH IN SUBSECTION (E), THE
29	COMMISSION MAY CHALLENGE THE AMOUNT OF A FEE PAID WITHIN THREE
30	YEARS AFTER THE DATE THE REPORT UNDER SECTION 2303(D) (RELATING

1 <u>TO ADMINISTRATION) IS FILED.</u>

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) ASSESSMENTTHE COMMISSION SHALL ASSESS INTEREST ON ANY.         DELINQUENT FEE AT THE RATE DETERMINED UNDER SECTION 2307(A)         (RELATING TO COMMISSION).         (B) FENALTYIN ADDITION TO THE ASSESSED INTEREST UNDER         SUBSECTION (A), IF A PRODUCER FAILS TO MAKE TIMELY PAYMENT OF.         ITHE 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         ITHELY 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 PAYMENTIF 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.         PRODUCING WELL UNDER SECTION 2302 (RELATING TO SHALE IMPACT.         PERATURENT OF A PRODUCER THAT HAS FAILED TO PAY THE FEE FOR ANY.         PRODUCING WELL UNDER SECTION 2302 (RELATING TO SHALE SUSPEND THE.         PERATURENT OF THE FROULCER DOES NOT HAVE A PENDING APPEAL RELATED TO         PAYMENT OF THE FEE IN PROCESS, THE DEPA	2	(E) INTENTIF NO REPORT IS FILED OR A PRODUCER FILES A
5       \$ 2308. ENFORCEMENT.         6       (A) ASSESSMENTTHE COMMISSION SHALL ASSESS INTEREST ON ANY.         7       DELINOUENT FEE AT THE RATE DETERMINED UNDER SECTION 2307(A).         8       (RELATING TO COMMISSION).         9       (B) FENALTYIN ADDITION TO THE ASSESSED INTEREST UNDER.         10       SUBSECTION (A), IF A PRODUCER FAILS TO MAKE TIMELY PAYMENT OF.         11       THE FEE, THERE SHALL BE ADDED TO THE AMOUNT OF THE FEE DUE A.         12       PENALTY OF 5% OF THE AMOUNT OF THE FEE IF FAILURE TO FILE A.         13       TIMELY PAYMENT IS FOR NOT MORE THAN ONE MONTH, WITH AN.         14       ADDITIONAL 5% PENALTY FOR EACH ADDITIONAL MONTH, OR FRACTION OF         15       A MONTH, DURING WHICH THE FAILURE CONTINUES, NOT TO EXCEED 25%         16       IN THE AGGREGATE.         17       (C) TIMELY PAYMENTIF THE COMMISSION DETERMINES THAT A.         18       PRODUCER HAS NOT MADE A TIMELY PAYMENT OF THE FEE, THE.         19       COMMISSION SHALL SEND A WRITTEN NOTICE OF THE AMOUNT OF THE.         19       DEFICIENCY TO THE PRODUCER WITHIN 30 DAYS FROM THE DATE OF.         11       DEFERMINING THE DEFICIENCY. THE COMMISSION SHALL NOTIFY THE.         12       DEFARTMENT OF A PRODUCER THAT HAS FAILED TO PAY THE FEE FOR ANY.         13       PRODUCING WELL UNDER SECTION 2302 (RELATING TO SHALE IMPACT.	3	FALSE OR FRAUDULENT REPORT WITH THE INTENT TO EVADE THE FEE, AN
6       (A) ASSESSMENTTHE COMMISSION SHALL ASSESS INTEREST ON ANY         7       DELINQUENT FEE AT THE RATE DETERMINED UNDER SECTION 2307(A)         8       (RELATING TO COMMISSION).         9       (B) PENALTYIN ADDITION TO THE ASSESSED INTEREST UNDER.         10       SUBSECTION (A), IF A PRODUCER FAILS TO MAKE TIMELY PAYMENT OF         11       THE FEE, THERE SHALL BE ADDED TO THE AMOUNT OF THE FEE DUE A         12       PENALTY OF 5% OF THE AMOUNT OF THE FEE IF FAILURE TO FILE A         13       TIMELY PAYMENT IS FOR NOT MORE THAN ONE MONTH, WITH AN         14       ADDITIONAL 5% PENALTY FOR EACH ADDITIONAL MONTH, OR FRACTION OF         15       A MONTH, DURING WHICH THE FAILURE CONTINUES, NOT TO EXCEED 25%         16       IN THE AGGREGATE.         17       (C) TIMELY PAYMENTIF THE COMMISSION DETERMINES THAT A         18       PRODUCER HAS NOT MADE A TIMELY PAYMENT OF THE FEE, THE         19       COMMISSION SHALL SEND A WRITTEN NOTICE OF THE AMOUNT OF THE         19       DEFICIENCY TO THE PRODUCER WITHIN 30 DAYS FROM THE DATE OF         10       DETERMINING THE DEFICIENCY. THE COMMISSION SHALL NOTIFY THE         21       DETERMINING THE DEFICIENCY. THE COMMISSION SHALL NOTIFY THE         22       DEPARTMENT OF A PRODUCER THAT HAS FAILED TO PAY THE FEE FOR ANY         23       FRODUCING WELL UNDER SECTION 2302 (RELATING TO SHALE IMPACT. </td <td>4</td> <td>ASSESSMENT OF THE AMOUNT OWED MAY BE MADE AT ANY TIME.</td>	4	ASSESSMENT OF THE AMOUNT OWED MAY BE MADE AT ANY TIME.
7       DELINQUENT FEE AT THE RATE DETERMINED UNDER SECTION 2307(A).         8       (RELATING TO COMMISSION).         9       (B) PENALTYIN ADDITION TO THE ASSESSED INTEREST UNDER.         10       SUBSECTION (A), IF A PRODUCER FAILS TO MAKE TIMELY PAYMENT OF.         11       THE FEE, THERE SHALL BE ADDED TO THE AMOUNT OF THE FEE DUE A         12       PENALTY OF 5% OF THE AMOUNT OF THE FEE IF FAILURE TO FILE A         13       TIMELY PAYMENT IS FOR NOT MORE THAN ONE MONTH, WITH AN         14       ADDITIONAL 5% PENALTY FOR EACH ADDITIONAL MONTH, OR FRACTION OF         15       A MONTH, DURING WHICH THE FAILURE CONTINUES, NOT TO EXCEED 25%         16       IN THE AGGREGATE.         17       (C) TIMELY PAYMENTIF THE COMMISSION DETERMINES THAT A.         18       PRODUCER HAS NOT MADE A TIMELY PAYMENT OF THE FEE, THE         10       COMMISSION SHALL SEND A WRITTEN NOTICE OF THE AMOUNT OF THE         11       DEFICIENCY TO THE PRODUCER WITHIN 30 DAYS FROM THE DATE OF         12       DEFERMINING THE DEFICIENCY. THE COMMISSION SHALL NOTIFY THE         13       DEPARTMENT OF A PRODUCER THAT HAS FAILED TO PAY THE FEE FOR ANY         14       PRODUCING WELL UNDER SECTION 2302 (RELATING TO SHALE IMPACT         15       FEE). IF THE PRODUCER DOES NOT HAVE A PENDING APPEAL RELATED TO         16       PERMIT FOR THAT WELL UNTIL THE FEE HAS BEEN PAID.	5	<u>§ 2308. ENFORCEMENT.</u>
intervention         8       (RELATING TO COMMISSION).         9       (B) FENALTYIN ADDITION TO THE ASSESSED INTEREST UNDER         10       SUBSECTION (A), IF A PRODUCER FAILS TO MAKE TIMELY PAYMENT OF         11       THE FEE, THERE SHALL BE ADDED TO THE AMOUNT OF THE FEE DUE A         12       PENALTY OF 5% OF THE AMOUNT OF THE FEE IF FAILURE TO FILE A.         13       TIMELY PAYMENT IS FOR NOT MORE THAN ONE MONTH, WITH AN         14       ADDITIONAL 5% PENALTY FOR EACH ADDITIONAL MONTH, OR FRACTION OF         15       A MONTH, DURING WHICH THE FAILURE CONTINUES, NOT TO EXCEED 25%.         16       IN THE AGGREGATE.         17       (C) TIMELY PAYMENTIF THE COMMISSION DETERMINES THAT A         18       PRODUCER HAS NOT MADE A TIMELY PAYMENT OF THE FEE, THE         19       COMMISSION SHALL SEND A WRITTEN NOTICE OF THE AMOUNT OF THE         20       DEFICIENCY TO THE PRODUCER WITHIN 30 DAYS FROM THE DATE OF.         21       DETERMINING THE DEFICIENCY. THE COMMISSION SHALL NOTIFY THE         22       DEPARTMENT OF A PRODUCER THAT HAS FAILED TO PAY THE FEE FOR ANY.         23       PRODUCING WELL UNDER SECTION 2302 (RELATING TO SHALE IMPACT.         24       FEE). IF THE PRODUCER DOES NOT HAVE A PENDING APPEAL RELATED TO         25       PAYMENT OF THE FEE IN PROCESS, THE DEPARTMENT SHALL SUSPEND THE         26       PE	6	(A) ASSESSMENTTHE COMMISSION SHALL ASSESS INTEREST ON ANY
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28 IN ADDITION TO ANY OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY. 29 (E) LIENFINES, FEES, INTEREST AND PENALTIES SHALL BE	26	PERMIT FOR THAT WELL UNTIL THE FEE HAS BEEN PAID.
29 (E) LIENFINES, FEES, INTEREST AND PENALTIES SHALL BE	27	(D) REMEDIESTHE REMEDIES PROVIDED UNDER THIS CHAPTER ARE
	28	IN ADDITION TO ANY OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY.
30 COLLECTIBLE AS AUTHORIZED BY LAW FOR THE COLLECTION OF DEBTS. IF	29	(E) LIENFINES, FEES, INTEREST AND PENALTIES SHALL BE
	30	COLLECTIBLE AS AUTHORIZED BY LAW FOR THE COLLECTION OF DEBTS. IF

1	THE PRODUCER LIABLE TO PAY AN AMOUNT NEGLECTS OR REFUSES TO PAY_
2	THE AMOUNT AFTER DEMAND, THE AMOUNT, TOGETHER WITH COSTS, SHALL
3	BE A JUDGMENT IN FAVOR OF THE COMMONWEALTH UPON THE PROPERTY OF
4	THE PRODUCER, BUT ONLY AFTER THE JUDGMENT HAS BEEN ENTERED,
5	DOCKETED AND RECORDED BY THE PROTHONOTARY OF THE COUNTY WHERE
6	THE PROPERTY IS SITUATED. THE COMMONWEALTH SHALL TRANSMIT TO THE
7	PROTHONOTARIES OF THE RESPECTIVE COUNTIES CERTIFIED COPIES OF
8	THE JUDGMENTS. EACH PROTHONOTARY SHALL ENTER, DOCKET AND RECORD
9	THE RECORD IN THE PROTHONOTARY'S OFFICE AND INDEX EACH JUDGMENT,
10	WITHOUT REQUIRING THE PAYMENT OF COSTS AS A CONDITION PRECEDENT
11	TO THE ENTRY OF THE JUDGMENT.
12	§ 2309. ENFORCEMENT ORDERS.
13	(A) ISSUANCETHE COMMISSION MAY ISSUE AN ORDER AS
14	NECESSARY TO ENFORCE THIS CHAPTER AND CHAPTER 25 (RELATING TO
15	NATURAL GAS ENERGY DEVELOPMENT PROGRAM). AN ORDER ISSUED UNDER
16	THIS SECTION SHALL TAKE EFFECT UPON NOTICE, UNLESS THE ORDER
17	SPECIFIES OTHERWISE. AN APPEAL OF THE ORDER MUST BE IN
18	ACCORDANCE WITH 66 PA.C.S. CH. 3 SUBCH. B (RELATING TO
19	INVESTIGATIONS AND HEARINGS).
20	(B) COMPLIANCE A PRODUCER HAS THE DUTY TO COMPLY WITH AN
21	ORDER ISSUED UNDER SUBSECTION (A). IF A PRODUCER FAILS TO
22	PROCEED DILIGENTLY OR TO COMPLY WITH AN ORDER WITHIN THE TIME
23	REQUIRED, THE PRODUCER SHALL BE GUILTY OF CONTEMPT AND SHALL BE
24	PUNISHED BY THE COURT IN AN APPROPRIATE MANNER. THE COMMISSION
25	SHALL APPLY TO THE COMMONWEALTH COURT, WHICH SHALL HAVE
26	JURISDICTION OVER MATTERS RELATING TO CONTEMPT.
27	<u>§ 2310. ADMINISTRATIVE PENALTIES.</u>
28	(A) CIVIL PENALTIES IN ADDITION TO ANY OTHER PROCEEDING
29	AUTHORIZED BY LAW, THE COMMISSION MAY ASSESS A CIVIL PENALTY NOT
30	TO EXCEED \$2,500 PER VIOLATION UPON A PRODUCER FOR THE VIOLATION

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1	OF THIS CHAPTER. IN DETERMINING THE AMOUNT OF THE PENALTY, THE
2	COMMISSION SHALL CONSIDER THE WILLFULNESS OF THE VIOLATION AND
3	OTHER RELEVANT FACTORS.
4	(B) SEPARATE OFFENSE EACH VIOLATION FOR EACH SEPARATE DAY
5	AND EACH VIOLATION OF THIS CHAPTER SHALL CONSTITUTE A SEPARATE
6	OFFENSE.
7	(C) LIMITATION OF ACTIONS NOTWITHSTANDING ANY LIMITATION
8	IN 42 PA.C.S. CH. 55 SUBCH. B (RELATING TO CIVIL ACTIONS AND
9	PROCEEDINGS) AN ACTION UNDER THIS SECTION MUST BE BROUGHT WITHIN
10	THREE YEARS OF THE VIOLATION.
11	(D) PROCEDURE A PENALTY UNDER THIS CHAPTER IS SUBJECT TO
12	66 PA.C.S. CH. 3 SUBCH. B (RELATING TO INVESTIGATIONS AND
13	HEARINGS).
14	<u>§ 2311. (RESERVED).</u>
15	<u>§ 2312. RECORDKEEPING.</u>
16	A PRODUCER LIABLE FOR THE FEE UNDER THIS CHAPTER OR THE
17	ASSESSMENT UNDER CHAPTER 25 (RELATING TO NATURAL GAS ENERGY
18	DEVELOPMENT PROGRAM) SHALL KEEP RECORDS, MAKE REPORTS AND COMPLY
18 19	DEVELOPMENT PROGRAM) SHALL KEEP RECORDS, MAKE REPORTS AND COMPLY WITH REGULATIONS OF THE COMMISSION. THE COMMISSION MAY REQUIRE A
19	WITH REGULATIONS OF THE COMMISSION. THE COMMISSION MAY REQUIRE A
19 20	WITH REGULATIONS OF THE COMMISSION. THE COMMISSION MAY REQUIRE A PRODUCER TO MAKE REPORTS, RENDER STATEMENTS OR KEEP RECORDS AS
19 20 21	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
19 20 21 22	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.
19 20 21 22 23	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.
19 20 21 22 23 24	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) ACCESSTHE COMMISSION OR ITS AUTHORIZED AGENTS OR
19 20 21 22 23 24 25	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) ACCESSTHE COMMISSION OR ITS AUTHORIZED AGENTS OR REPRESENTATIVES SHALL:
19 20 21 22 23 24 25 26	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) ACCESSTHE COMMISSION OR ITS AUTHORIZED AGENTS OR REPRESENTATIVES SHALL: (1) HAVE ACCESS TO THE RELEVANT BOOKS, PAPERS AND
19 20 21 22 23 24 25 26 27	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) ACCESSTHE 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

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1	(2) REQUIRE THE PRESERVATION OF ALL RELEVANT BOOKS,
2	PAPERS AND RECORDS FOR AN APPROPRIATE PERIOD NOT TO EXCEED
3	THREE YEARS FROM THE END OF THE CALENDAR YEAR TO WHICH THE
4	RECORDS RELATE.
5	(3) EXAMINE ANY EMPLOYEE OF A PRODUCER UNDER OATH
6	CONCERNING THE SEVERING OF NATURAL GAS SUBJECT TO A FEE OR
7	ANY MATTER RELATING TO THE ENFORCEMENT OF THIS CHAPTER.
8	(4) COMPEL THE PRODUCTION OF RELEVANT BOOKS, PAPERS AND
9	RECORDS AND THE ATTENDANCE OF ALL INDIVIDUALS WHO THE
10	COMMISSION BELIEVES TO HAVE KNOWLEDGE OF RELEVANT MATTERS IN
11	ACCORDANCE WITH 66 PA.C.S. (RELATING TO PUBLIC UTILITIES).
12	(B) UNAUTHORIZED DISCLOSURE ANY INFORMATION OBTAINED BY
13	THE COMMISSION AS A RESULT OF ANY REPORT, EXAMINATION,
14	INVESTIGATION OR HEARING UNDER THIS CHAPTER SHALL BE
15	CONFIDENTIAL AND SHALL NOT BE DISCLOSED, EXCEPT FOR OFFICIAL
16	PURPOSES, IN ACCORDANCE WITH JUDICIAL ORDER OR AS OTHERWISE
17	PROVIDED BY LAW. A COMMISSIONER OR AN EMPLOYEE OF THE COMMISSION
18	WHO WITHOUT AUTHORIZATION DIVULGES CONFIDENTIAL INFORMATION
19	SHALL BE SUBJECT TO DISCIPLINARY ACTION BY THE COMMISSION.
20	<u>§ 2314. DISTRIBUTION OF FEE.</u>
21	(A) ESTABLISHMENTTHERE IS HEREBY ESTABLISHED A RESTRICTED
22	RECEIPTS ACCOUNT IN THE STATE TREASURY TO BE KNOWN AS THE SHALE
23	IMPACT ACCOUNT TO BE ADMINISTERED BY THE COMMISSION.
24	(B) DEPOSITALL FEES IMPOSED UNDER THIS CHAPTER SHALL BE
25	DEPOSITED INTO THE ACCOUNT AND ARE HEREBY APPROPRIATED FOR THE
26	PURPOSE SET FORTH IN THIS SECTION.
27	(C) CONSERVATION DISTRICTS
28	(1) FROM FEES COLLECTED FOR 2011, \$2,500,000 FROM THE
29	ACCOUNT SHALL BE DISTRIBUTED TO COUNTY CONSERVATION
30	DISTRICTS.

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1	(2) FROM FEES COLLECTED FOR 2012 AND EVERY YEAR
2	THEREAFTER, \$5,000,000 FROM THE ACCOUNT SHALL BE DISTRIBUTED
3	TO COUNTY CONSERVATION DISTRICTS.
4	(3) FUNDS UNDER PARAGRAPHS (1) AND (2) SHALL BE
5	DISTRIBUTED IN ACCORDANCE WITH THE FOLLOWING:
6	(I) ONE-HALF SHALL BE DISTRIBUTED BY DIVIDING THE
7	AMOUNT EQUALLY AMONG CONSERVATION DISTRICTS FOR ANY USE
8	CONSISTENT WITH THE ACT OF MAY 15, 1945 (P.L.547,
9	NO.217), KNOWN AS THE CONSERVATION DISTRICT LAW.
10	(II) ONE-HALF SHALL BE DISTRIBUTED BY THE STATE
11	CONSERVATION COMMISSION IN A MANNER CONSISTENT WITH THE
12	CONSERVATION DISTRICT LAW AND THE PROVISIONS OF THE STATE
13	CONSERVATION COMMISSION'S CONSERVATION DISTRICT FUND
14	ALLOCATION PROGRAM-STATEMENT OF POLICY UNDER 25 PA. CODE
15	CH. 83 SUBCH. B (RELATING TO CONSERVATION DISTRICT FUND
16	ALLOCATION PROGRAM-STATEMENT OF POLICY).
17	(C.1) OFFICE OF THE STATE FIRE COMMISSIONER
18	(1) FROM FEES COLLECTED FOR 2011 AND EACH YEAR
19	THEREAFTER, \$1,500,000 SHALL BE ANNUALLY DISTRIBUTED TO THE
20	OFFICE OF THE STATE FIRE COMMISSIONER.
21	(2) FUNDS UNDER PARAGRAPH (1) SHALL BE USED FOR THE
22	FOLLOWING PURPOSES:
23	(I) TO SUPPORT TRAINING PROGRAMS FOR EMERGENCY
24	RESPONDERS LOCATED IN COUNTIES WHERE DRILLING OF
25	MARCELLUS SHALE OR OTHER UNCONVENTIONAL RESOURCES OCCURS.
26	(II) TO PROVIDE GRANTS TO FIRE DEPARTMENTS FOR THE
27	PURCHASE OF SPECIAL EQUIPMENT REQUIRED TO RESPOND TO
28	FIRES AND OTHER EMERGENCIES RELATED TO THE PRODUCTION,
29	PROCESSING AND TRANSPORTATION OF NATURAL GAS OR NATURAL
30	GAS LIQUIDS.

1	(C.2) PENNSYLVANIA FISH AND BOAT COMMISSIONFROM FEES
2	COLLECTED FOR 2011 AND EACH YEAR THEREAFTER, \$1,500,000 SHALL BE
3	DISTRIBUTED TO THE PENNSYLVANIA FISH AND BOAT COMMISSION FOR
4	COSTS RELATING TO THE REVIEW OF APPLICATIONS FOR PERMITS TO
5	DRILL UNCONVENTIONAL WELLS.
6	(D) DISTRIBUTIONFOLLOWING DISTRIBUTION UNDER SUBSECTIONS
7	(C), (C.1) AND (C.2), FOR 2011 AND EVERY YEAR THEREAFTER, 55% OF
8	THE REVENUES REMAINING IN THE ACCOUNT ARE HEREBY APPROPRIATED
9	UNDER THIS SUBSECTION FOR THE PURPOSES AUTHORIZED UNDER
10	SUBSECTION (E). LOCAL GOVERNMENTS ARE ENCOURAGED, WHERE
11	APPROPRIATE, TO JOINTLY FUND PROJECTS THAT CROSS JURISDICTIONAL
12	LINES. THE COMMISSION, AFTER MAKING A DISBURSEMENT UNDER
13	SUBSECTION (D.2), SHALL DISTRIBUTE THE REMAINING FUNDS
14	APPROPRIATED UNDER THIS SUBSECTION AS FOLLOWS WITHIN 45 DAYS
15	AFTER THE DATE THE FEE IS DUE:
16	(1) THIRTY-SIX PERCENT SHALL BE DISTRIBUTED TO COUNTIES
17	IN WHICH PRODUCING UNCONVENTIONAL WELLS ARE LOCATED. THE
18	AMOUNT FOR EACH COUNTY SHALL BE DETERMINED USING A FORMULA
19	THAT DIVIDES THE NUMBER OF PRODUCING UNCONVENTIONAL WELLS IN
20	THE COUNTY BY THE NUMBER OF PRODUCING UNCONVENTIONAL WELLS IN
21	THIS COMMONWEALTH AND MULTIPLIES THE RESULTING PERCENTAGE BY
22	THE AMOUNT AVAILABLE FOR DISTRIBUTION UNDER THIS PARAGRAPH.
23	(2) THIRTY-SEVEN PERCENT SHALL BE DISTRIBUTED TO
24	MUNICIPALITIES IN WHICH PRODUCING UNCONVENTIONAL WELLS ARE
25	LOCATED. THE AMOUNT FOR EACH MUNICIPALITY SHALL BE DETERMINED
26	USING A FORMULA THAT DIVIDES THE NUMBER OF PRODUCING
27	UNCONVENTIONAL GAS WELLS IN THE MUNICIPALITY BY THE NUMBER OF
28	PRODUCING UNCONVENTIONAL WELLS IN THIS COMMONWEALTH AND
29	MULTIPLIES THE RESULTING PERCENTAGE BY THE AMOUNT AVAILABLE
30	FOR DISTRIBUTION UNDER THIS PARAGRAPH.

1	(3) TWENTY-SEVEN PERCENT SHALL BE DISTRIBUTED TO
2	MUNICIPALITIES LOCATED IN A COUNTY IN WHICH PRODUCING
3	UNCONVENTIONAL WELLS ARE LOCATED. THE AMOUNT AVAILABLE FOR
4	DISTRIBUTION IN EACH COUNTY SHALL BE DETERMINED BY DIVIDING
5	THE NUMBER OF PRODUCING UNCONVENTIONAL WELLS IN THE COUNTY BY
6	THE NUMBER OF PRODUCING UNCONVENTIONAL WELLS IN THIS
7	COMMONWEALTH AND MULTIPLYING THE RESULTING PERCENTAGE BY THE
8	AMOUNT AVAILABLE FOR DISTRIBUTION UNDER THIS PARAGRAPH. THE
9	RESULTING AMOUNT AVAILABLE FOR DISTRIBUTION IN EACH COUNTY IN
10	WHICH PRODUCING UNCONVENTIONAL WELLS ARE LOCATED SHALL BE
11	DISTRIBUTED TO EACH MUNICIPALITY IN THE COUNTY AS FOLLOWS:
12	(I) FIFTY PERCENT OF THE AMOUNT AVAILABLE UNDER THIS
13	PARAGRAPH SHALL BE DISTRIBUTED TO MUNICIPALITIES IN WHICH
14	PRODUCING UNCONVENTIONAL WELLS ARE LOCATED AND TO
15	MUNICIPALITIES THAT ARE EITHER CONTIGUOUS WITH A
16	MUNICIPALITY IN WHICH PRODUCING UNCONVENTIONAL WELLS ARE
17	LOCATED OR ARE LOCATED WITHIN FIVE LINEAR MILES OF A
18	PRODUCING UNCONVENTIONAL WELL. THE DISTRIBUTION SHALL BE
19	MADE AS FOLLOWS:
20	(A) ONE-HALF SHALL BE DISTRIBUTED TO EACH
21	ELIGIBLE MUNICIPALITY USING A FORMULA THAT DIVIDES
22	THE POPULATION OF THE ELIGIBLE MUNICIPALITY WITHIN
23	THE COUNTY BY THE TOTAL POPULATION OF ALL ELIGIBLE
24	MUNICIPALITIES WITHIN THE COUNTY AND MULTIPLIES THE
25	RESULTING PERCENTAGE BY THE AMOUNT ALLOCATED TO THE
26	COUNTY UNDER THIS SUBPARAGRAPH.
27	(B) ONE-HALF SHALL BE DISTRIBUTED TO EACH
28	ELIGIBLE MUNICIPALITY USING A FORMULA THAT DIVIDES
29	THE HIGHWAY MILEAGE OF THE ELIGIBLE MUNICIPALITY
30	WITHIN THE COUNTY BY THE TOTAL HIGHWAY MILEAGE OF ALL

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1 ELIGIBLE MUNICIPALITIES WITHIN THE COUNTY AND 2 MULTIPLIES THE RESULTING PERCENTAGE BY THE AMOUNT 3 ALLOCATED TO THE COUNTY UNDER THIS SUBPARAGRAPH. (II) FIFTY PERCENT OF THE AMOUNT AVAILABLE UNDER 4 THIS PARAGRAPH SHALL BE DISTRIBUTED TO EACH MUNICIPALITY 5 6 IN THE COUNTY REGARDLESS OF WHETHER AN UNCONVENTIONAL 7 WELL IS LOCATED IN THE MUNICIPALITY AS FOLLOWS: 8 (A) ONE-HALF SHALL BE DISTRIBUTED TO EACH 9 MUNICIPALITY USING A FORMULA THAT DIVIDES THE POPULATION OF THE MUNICIPALITY WITHIN THE COUNTY BY 10 THE TOTAL POPULATION OF THE COUNTY AND MULTIPLIES THE 11 RESULTING PERCENTAGE BY THE AMOUNT ALLOCATED TO THE 12 13 COUNTY UNDER THIS SUBPARAGRAPH. 14 (B) ONE-HALF SHALL BE DISTRIBUTED TO EACH MUNICIPALITY USING A FORMULA THAT DIVIDES THE HIGHWAY 15 16 MILEAGE OF THE MUNICIPALITY WITHIN THE COUNTY BY THE TOTAL HIGHWAY MILEAGE OF THE COUNTY AND MULTIPLIES 17 18 THE RESULTING PERCENTAGE BY THE AMOUNT ALLOCATED TO THE COUNTY UNDER THIS SUBPARAGRAPH. 19 20 (D.1) RESTRICTION.--THE AMOUNT ALLOCATED TO EACH DESIGNATED MUNICIPALITY UNDER SUBSECTION (D) SHALL NOT EXCEED 50% OF ITS 21 22 TOTAL BUDGET FOR FISCAL YEAR 2011, ADJUSTED FOR INFLATION IN 23 SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-24 LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE 25 INCREASE, IF ANY, IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR 26 TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING 27 MONEY SHALL BE RETAINED BY THE COMMISSION AND DEPOSITED IN THE 28 HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND. 29 (D.2) HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT 30 FUND.--

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1	(1) FROM FEES COLLECTED FOR 2011, \$2,500,000 FROM THE
2	ACCOUNT SHALL BE DISTRIBUTED TO THE HOUSING AFFORDABILITY AND
3	REHABILITATION ENHANCEMENT FUND UNDER THE ACT OF NOVEMBER 23,
4	2010 (P.L.1035, NO.105), ENTITLED "AN ACT AMENDING THE ACT OF
5	DECEMBER 3, 1959 (P.L.1688, NO.621), ENTITLED, AS AMENDED,
6	'AN ACT TO PROMOTE THE HEALTH, SAFETY AND WELFARE OF THE
7	PEOPLE OF THE COMMONWEALTH BY BROADENING THE MARKET FOR
8	HOUSING FOR PERSONS AND FAMILIES OF LOW AND MODERATE INCOME
9	AND ALLEVIATING SHORTAGES THEREOF, AND BY ASSISTING IN THE
10	PROVISION OF HOUSING FOR ELDERLY PERSONS THROUGH THE CREATION
11	OF THE PENNSYLVANIA HOUSING FINANCE AGENCY AS A PUBLIC
12	CORPORATION AND GOVERNMENT INSTRUMENTALITY; PROVIDING FOR THE
13	ORGANIZATION, MEMBERSHIP AND ADMINISTRATION OF THE AGENCY,
14	PRESCRIBING ITS GENERAL POWERS AND DUTIES AND THE MANNER IN
15	WHICH ITS FUNDS ARE KEPT AND AUDITED, EMPOWERING THE AGENCY
16	TO MAKE HOUSING LOANS TO QUALIFIED MORTGAGORS UPON THE
17	SECURITY OF INSURED AND UNINSURED MORTGAGES, DEFINING
18	QUALIFIED MORTGAGORS AND PROVIDING FOR PRIORITIES AMONG
19	TENANTS IN CERTAIN INSTANCES, PRESCRIBING INTEREST RATES AND
20	OTHER TERMS OF HOUSING LOANS, PERMITTING THE AGENCY TO
21	ACQUIRE REAL OR PERSONAL PROPERTY, PERMITTING THE AGENCY TO
22	MAKE AGREEMENTS WITH FINANCIAL INSTITUTIONS AND FEDERAL
23	AGENCIES, PROVIDING FOR THE PURCHASE BY PERSONS OF LOW AND
24	MODERATE INCOME OF HOUSING UNITS, AND APPROVING THE SALE OF
25	HOUSING UNITS, PERMITTING THE AGENCY TO SELL HOUSING LOANS,
26	PROVIDING FOR THE PROMULGATION OF REGULATIONS AND FORMS BY
27	THE AGENCY, PRESCRIBING PENALTIES FOR FURNISHING FALSE
28	INFORMATION, EMPOWERING THE AGENCY TO BORROW MONEY UPON ITS
29	OWN CREDIT BY THE ISSUANCE AND SALE OF BONDS AND NOTES AND BY
30	GIVING SECURITY THEREFOR, PERMITTING THE REFUNDING,

1	REDEMPTION AND PURCHASE OF SUCH OBLIGATIONS BY THE AGENCY,
2	PRESCRIBING REMEDIES OF HOLDERS OF SUCH BONDS AND NOTES,
3	EXEMPTING BONDS AND NOTES OF THE AGENCY, THE INCOME
4	THEREFROM, AND THE INCOME AND REVENUES OF THE AGENCY FROM
5	TAXATION, EXCEPT TRANSFER, DEATH AND GIFT TAXES; MAKING SUCH
6	BONDS AND NOTES LEGAL INVESTMENTS FOR CERTAIN PURPOSES; AND
7	INDICATING HOW THE ACT SHALL BECOME EFFECTIVE, ' PROVIDING FOR
8	THE PENNSYLVANIA HOUSING AFFORDABILITY AND REHABILITATION
9	ENHANCEMENT PROGRAM; AND ESTABLISHING THE HOUSING
10	AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND." FROM FEES
11	COLLECTED FOR 2012, AND EACH YEAR THEREAFTER, \$5,000,000
12	SHALL BE ANNUALLY DISTRIBUTED TO THE HOUSING AFFORDABILITY
13	AND REHABILITATION ENHANCEMENT FUND.
14	(2) FUNDS UNDER PARAGRAPH (1) SHALL BE USED FOR THE
15	FOLLOWING PURPOSES:
16	(I) TO PROVIDE SUPPORT TO PROJECTS IN A COUNTY IN
17	WHICH PRODUCING UNCONVENTIONAL WELLS ARE LOCATED THAT
18	INCREASE AVAILABILITY OF QUALITY, SAFE, AFFORDABLE
19	HOUSING FOR LOW-INCOME AND MODERATE-INCOME INDIVIDUALS OR
20	FAMILIES, PERSONS WITH DISABILITIES OR ELDERLY PERSONS.
21	(II) TO PROVIDE RENTAL ASSISTANCE IN A COUNTY IN
22	WHICH PRODUCING UNCONVENTIONAL WELLS ARE LOCATED TO
23	PERSONS OR FAMILIES WHOSE HOUSEHOLD INCOME DOES NOT
24	EXCEED THE AREA MEDIAN INCOME.
25	(3) NO LESS THAN 50% OF THE FUNDS AVAILABLE UNDER THIS
26	SUBSECTION SHALL BE USED IN FIFTH, SIXTH, SEVENTH AND EIGHTH
27	CLASS COUNTIES.
28	(E) USE OF FUNDSA COUNTY OR MUNICIPALITY RECEIVING FUNDS
29	UNDER SUBSECTION (D) SHALL USE THE FUNDS RECEIVED ONLY FOR THE
30	FOLLOWING PURPOSES ASSOCIATED WITH NATURAL GAS PRODUCTION FROM

1	UNCONVENTIONAL WELLS WITHIN THE COUNTY OR MUNICIPALITY:
2	(1) CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND REPAIR
3	OF ROADWAYS, BRIDGES AND PUBLIC INFRASTRUCTURE.
4	(2) WATER, STORM WATER AND SEWER SYSTEMS, INCLUDING
5	CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND REPAIR.
6	(3) EMERGENCY PREPAREDNESS AND PUBLIC SAFETY, INCLUDING
7	LAW ENFORCEMENT AND FIRE SERVICES, HAZARDOUS MATERIAL
8	RESPONSE, 911, EQUIPMENT ACQUISITION AND OTHER SERVICES.
9	(4) ENVIRONMENTAL PROGRAMS, INCLUDING TRAILS, PARKS AND
10	RECREATION, OPEN SPACE, FLOOD PLAIN MANAGEMENT, CONSERVATION
11	DISTRICTS AND AGRICULTURAL PRESERVATION.
12	(5) PRESERVATION AND RECLAMATION OF SURFACE AND
13	SUBSURFACE WATERS AND WATER SUPPLIES.
14	(6) TAX REDUCTIONS, INCLUDING HOMESTEAD EXCLUSIONS.
15	(7) PROJECTS TO INCREASE THE AVAILABILITY OF SAFE AND
16	AFFORDABLE HOUSING TO RESIDENTS.
17	(8) RECORDS MANAGEMENT, GEOGRAPHIC INFORMATION SYSTEMS
18	AND INFORMATION TECHNOLOGY.
19	(9) THE DELIVERY OF SOCIAL SERVICES.
20	(10) JUDICIAL SERVICES.
21	(11) FOR DEPOSIT INTO THE COUNTY OR MUNICIPALITY'S
22	CAPITAL RESERVE FUND IF THE FUNDS ARE USED SOLELY FOR A
23	PURPOSE SET FORTH IN THIS SUBSECTION.
24	(F) REPORTING
25	(1) THE COMMISSION SHALL SUBMIT AN ANNUAL REPORT ON ALL
26	FUNDS IN THE ACCOUNT. THE REPORT SHALL INCLUDE A DETAILED
27	LISTING OF ALL DEPOSITS AND EXPENDITURES OF THE FUND AND BE
28	SUBMITTED TO THE CHAIRMAN AND THE MINORITY CHAIRMAN OF THE
29	APPROPRIATIONS COMMITTEE OF THE SENATE, THE CHAIRMAN AND THE
30	MINORITY CHAIRMAN OF THE ENVIRONMENTAL RESOURCES AND ENERGY

1	COMMITTEE OF THE SENATE, THE CHAIRMAN AND THE MINORITY
2	CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF
3	REPRESENTATIVES AND THE CHAIRMAN AND THE MINORITY CHAIRMAN OF
4	THE ENVIRONMENTAL RESOURCES AND ENERGY COMMITTEE OF THE HOUSE
5	OF REPRESENTATIVES. THE REPORT SHALL BE SUBMITTED BY
6	SEPTEMBER 30, 2012, AND BY SEPTEMBER 30 OF EACH YEAR
7	THEREAFTER.
8	(2) ALL COUNTIES AND MUNICIPALITIES RECEIVING FUNDS FROM
9	THE ACCOUNT UNDER THIS SECTION SHALL SUBMIT INFORMATION TO
10	THE COMMISSION ON A FORM PREPARED BY THE COMMISSION THAT SETS
11	FORTH THE AMOUNT AND USE OF THE FUNDS RECEIVED IN THE PRIOR
12	CALENDAR YEAR. THE FORM SHALL SET FORTH THAT THE FUNDS
13	RECEIVED WERE COMMITTED TO A SPECIFIC PROJECT OR USE AS
14	AUTHORIZED IN THIS SECTION. THE REPORTS SHALL BE PUBLISHED
15	ANNUALLY ON THE COUNTY OR MUNICIPALITY'S PUBLICLY ACCESSIBLE
16	INTERNET WEBSITE.
16 17	<u>INTERNET WEBSITE.</u> <u>§ 2315. STATEWIDE INITIATIVES.</u>
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17	<u>§ 2315. STATEWIDE INITIATIVES.</u>
17 18	<u>§ 2315. STATEWIDE INITIATIVES.</u> (A) DEPOSIT AND DISTRIBUTIONFOLLOWING DISTRIBUTION UNDER
17 18 19	<pre>§ 2315. STATEWIDE INITIATIVES. (A) DEPOSIT AND DISTRIBUTIONFOLLOWING DISTRIBUTION UNDER SECTION 2314(C), (C.1) AND (C.2) (RELATING TO DISTRIBUTION OF</pre>
17 18 19 20	§ 2315. STATEWIDE INITIATIVES. (A) DEPOSIT AND DISTRIBUTIONFOLLOWING 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
17 18 19 20 21	§ 2315. STATEWIDE INITIATIVES. (A) DEPOSIT AND DISTRIBUTIONFOLLOWING 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
17 18 19 20 21 22	<pre>§ 2315. STATEWIDE INITIATIVES. (A) DEPOSIT AND DISTRIBUTIONFOLLOWING 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:</pre>
17 18 19 20 21 22 23	<pre>\$ 2315. STATEWIDE INITIATIVES. (A) DEPOSIT AND DISTRIBUTIONFOLLOWING 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</pre>
17 18 19 20 21 22 23 24	<pre>\$ 2315. STATEWIDE INITIATIVES. (A) DEPOSIT AND DISTRIBUTIONFOLLOWING 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</pre>
17 18 19 20 21 22 23 24 25	\$ 2315. STATEWIDE INITIATIVES. (A) DEPOSIT AND DISTRIBUTIONFOLLOWING 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:
17 18 19 20 21 22 23 24 25 26	\$ 2315. STATEWIDE INITIATIVES. (A) DEPOSIT AND DISTRIBUTIONFOLLOWING 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: (1) ACID MINES: DAMAGE, ABATEMENT AND CLEANUP AND
17 18 19 20 21 22 23 24 25 26 27	<pre>\$ 2315. STATEWIDE INITIATIVES. (A) DEPOSIT AND DISTRIBUTIONFOLLOWING 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: (1) ACID MINES: DAMAGE, ABATEMENT AND CLEANUP AND MINE RECLAMATION, WITH PRIORITY GIVEN TO PROJECTS WHICH</pre>

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1	(1965 P.L.1535, NO.537), KNOWN AS THE PENNSYLVANIA SEWAGE
2	FACILITIES ACT.
3	(IV) PLANNING ACQUISITION, DEVELOPMENT,
4	REHABILITATION AND REPAIR OF GREENWAYS, RECREATIONAL
5	TRAILS, OPEN SPACE, PARKS AND BEAUTIFICATION PROJECTS.
6	(V) PROGRAMS TO ESTABLISH BASELINE WATER QUALITY
7	DATA ON PRIVATE WATER SUPPLIES.
8	(VI) WATERSHED PROGRAMS AND RELATED PROJECTS.
9	(2) TWENTY-FIVE PERCENT TO THE HIGHWAY BRIDGE
10	IMPROVEMENT RESTRICTED ACCOUNT IN THE MOTOR LICENSE FUND TO
11	COUNTIES TO BE DISTRIBUTED TO FUND THE COST OF THE
12	REPLACEMENT OR REPAIR OF LOCALLY OWNED AT-RISK DETERIORATED
13	BRIDGES. FUNDS SHALL BE DISTRIBUTED TO COUNTIES
14	PROPORTIONATELY BASED ON THE POPULATION OF THE COUNTY AS
15	FOLLOWS:
16	(I) IN EACH COUNTY, THE DISTRIBUTION SHALL BE
17	ACCORDING TO THE FOLLOWING FORMULA:
18	(A) DIVIDE:
19	(I) THE TOTAL POPULATION OF THE COUNTY; BY
20	(II) THE TOTAL POPULATION OF THE
21	COMMONWEALTH;
22	(B) EXPRESS THE QUOTIENT UNDER CLAUSE (A) AS A
23	PERCENTAGE.
24	(C) MULTIPLY:
25	(I) THE PERCENTAGE UNDER CLAUSE (B); BY
26	(II) THE AMOUNT OF MONEY TO BE DISTRIBUTED
27	UNDER THIS PARAGRAPH.
28	(II) EACH COUNTY SHALL RECEIVE A MINIMUM OF \$40,000.
29	(III) THE DEPARTMENT OF TRANSPORTATION SHALL RELEASE
30	MONEY UNDER THIS PARAGRAPH UPON APPROVAL OF A PLAN

1	SUBMITTED BY A COUNTY OR MUNICIPALITY TO REPAIR AN AT-
2	RISK DETERIORATED BRIDGE. THE PLAN MUST INCLUDE FUNDING
3	FOR REPLACEMENT OR REPAIR.
4	(IV) A COUNTY OF THE FIRST OR SECOND CLASS MAY
5	SUBMIT A PLAN TO USE ITS FUNDS UNDER THIS PARAGRAPH FOR
6	AT-RISK DETERIORATED BRIDGES OWNED BY A PUBLIC
7	TRANSPORTATION AUTHORITY.
8	(3) TWENTY-FIVE PERCENT FOR WATER AND SEWER PROJECTS.
9	FIFTY PERCENT OF THE AMOUNT DISTRIBUTED UNDER THIS PARAGRAPH
10	SHALL BE TRANSMITTED TO THE PENNSYLVANIA INFRASTRUCTURE
11	INFRASTRUCTURE INVESTMENT AUTHORITY TO BE USED IN ACCORDANCE
12	WITH THE ACT OF MARCH 1, 1988 (P.L.82, NO.16), KNOWN AS THE
13	PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY ACT. FIFTY
14	PERCENT OF THE AMOUNT DISTRIBUTED UNDER THIS PARAGRAPH SHALL
15	BE DISTRIBUTED TO THE H2O PA PROGRAM TO BE USED BY THE
16	COMMONWEALTH FINANCING AUTHORITY IN ACCORDANCE WITH SECTION
17	301 OF THE ACT OF JULY 9, 2008 (P.L.908, NO.63), KNOWN AS THE
18	H20 PA ACT. THE PROHIBITION ON GRANTS FOR PROJECTS LOCATED IN
19	A CITY OR COUNTY OF THE FIRST OR SECOND CLASS UNDER SECTION
20	301 OF THE H2O PA ACT SHALL NOT APPLY TO FUNDS DISTRIBUTED TO
21	THE H20 PA PROGRAM UNDER THIS PARAGRAPH.
22	(4) FIVE PERCENT TO THE HAZARDOUS SITES CLEANUP FUND.
23	(5) FIFTEEN PERCENT FOR THE PLANNING, ACQUISITION,
24	DEVELOPMENT REHABILITATION AND REPAIR OF GREENWAYS,
25	RECREATIONAL TRAILS, OPEN SPACE, NATURAL AREAS, COMMUNITY
26	CONSERVATION AND BEAUTIFICATION PROJECTS, COMMUNITY AND
27	HERITAGE PARKS AND WATER RESOURCE MANAGEMENT. FUNDS SHALL BE
28	DISTRIBUTED TO COUNTIES PROPORTIONATELY BASED ON THE
29	POPULATION OF THE COUNTY AS FOLLOWS:
30	(I) IN EACH COUNTY, THE DISTRIBUTION SHALL BE

1	ACCORDING TO THE FOLLOWING FORMULA:
2	(A) DIVIDE:
3	(I) THE TOTAL POPULATION OF THE COUNTY; BY
4	(II) THE TOTAL POPULATION OF THE
5	COMMONWEALTH.
6	(B) EXPRESS THE QUOTIENT UNDER CLAUSE (A) AS A
7	PERCENTAGE.
8	(C) MULTIPLY:
9	(I) THE PERCENTAGE UNDER CLAUSE (B); BY
10	(II) THE AMOUNT OF FUNDS AVAILABLE UNDER
11	THIS PARAGRAPH.
12	(II) EACH COUNTY SHALL RECEIVE A MINIMUM OF \$25,000.
13	(6) FIVE PERCENT FOR DISTRIBUTION AS FOLLOWS:
14	(I) FOR 2011, 2012 AND 2013, TO THE DEPARTMENT OF
15	COMMUNITY AND ECONOMIC DEVELOPMENT FOR PROJECTS TO
16	PROVIDE FOR THE PLANNING, DEVELOPMENT AND CONSTRUCTION OF
17	<u>A FACILITY TO LIQUEFY NATURAL GAS OR CONVERT NATURAL GAS</u>
18	TO ETHANE, PROPANE OR SIMILAR SUBSTANCES.
19	(II) AFTER 2013, TO THE HAZARDOUS SITES CLEANUP
20	FUND.
21	(B) RESTRICTION ON USE OF PROCEEDS
22	(1) FUNDS DISTRIBUTED UNDER SUBSECTION (A) SHALL NOT BE
23	USED FOR THE PURPOSE OF PUBLIC RELATIONS, OUTREACH,
24	COMMUNICATIONS, LOBBYING OR LITIGATION.
25	(2) FUNDS DISTRIBUTED UNDER SUBSECTION (A) MAY NOT BE
26	USED BY AN AUTHORIZED ORGANIZATION AS DEFINED IN 27 PA.C.S. §
27	6103 (RELATING TO DEFINITIONS) FOR LAND ACQUISITION UNLESS
28	THE AUTHORIZED ORGANIZATION HAS OBTAINED THE WRITTEN CONSENT
29	OF THE COUNTY AND MUNICIPALITY IN WHICH THE LAND IS SITUATED.
30	(C) COORDINATION THE DEPARTMENT AND THE DEPARTMENT OF

1	CONSERVATION AND NATURAL RESOURCES SHALL REVIEW APPLICATIONS FOR
2	FUNDING AS REQUESTED BY THE COMMONWEALTH FINANCING AUTHORITY AND
3	PROVIDE RECOMMENDATIONS ON PRIORITY OF PROJECTS AND PROJECT
4	APPROVAL.
5	<u>§ 2316. DIVERSE BUSINESS PARTICIPATION.</u>
6	(A) GENERAL RULEUNCONVENTIONAL WELL PRODUCERS AND RELATED
7	EXTRACTION COMPANIES, INCLUDING CONTRACTORS, SUBCONTRACTORS,
8	PROFESSIONAL SERVICE PROVIDERS AND SUPPLIERS, SHALL PROVIDE
9	MAXIMUM PRACTICABLE OPPORTUNITIES FOR DIVERSE BUSINESS
10	PARTICIPATION.
11	(B) DUTIESUNCONVENTIONAL WELL PRODUCERS SHALL DO ALL OF
12	THE FOLLOWING:
13	(1) FULLY COMPLY WITH THE COMMONWEALTH'S CONTRACT
14	COMPLIANCE POLICY REGARDING NONDISCRIMINATION.
15	(2) NOTIFY THE DEPARTMENT OF GENERAL SERVICES' BUREAU OF
16	MINORITY AND WOMEN BUSINESS OPPORTUNITIES OF CONTRACTING
17	OPPORTUNITIES FROM DIVERSE BUSINESSES.
18	(3) USE OR OBTAIN THE BUREAU OF MINORITY AND WOMEN
19	BUSINESS OPPORTUNITIES' ASSISTANCE IN USING THE DEPARTMENT OF
20	GENERAL SERVICES' INTERNET WEBSITE TO IDENTIFY CERTIFIED
21	DIVERSE BUSINESSES AS POTENTIAL SOURCES FOR MARCELLUS SHALE
22	OPPORTUNITIES.
23	(4) UTILIZE THE DEPARTMENT OF GENERAL SERVICES AVAILABLE
24	SOURCE LIST OF VETERAN-OWNED SMALL BUSINESSES.
25	(C) SURVEYTHE DEPARTMENT OF GENERAL SERVICES SHALL
26	CONDUCT A SURVEY OF UNCONVENTIONAL WELL PRODUCERS TO ASCERTAIN
27	THE EXTENT OF DIVERSE BUSINESS PARTICIPATION. THIS SURVEY SHALL
28	BE COMPLETED BY DECEMBER 31, 2012.
29	(D) REPORTTHE DEPARTMENT OF GENERAL SERVICES SHALL SUBMIT
30	AN ANNUAL REPORT TO THE APPROPRIATIONS COMMITTEE OF THE SENATE

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1	AND THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES
2	ON THE UTILIZATION OF DIVERSE BUSINESS PARTICIPATION IN THE
3	MARCELLUS SHALE GAS EXTRACTION INDUSTRY.
4	(E) DEFINITIONSAS USED IN THIS SECTION, THE FOLLOWING
5	WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
6	SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:
7	"DIVERSE BUSINESS." MINORITY-OWNED BUSINESS, WOMEN-OWNED
8	BUSINESS AND VETERAN-OWNED BUSINESS AS DETERMINED BY THE
9	DEPARTMENT OF GENERAL SERVICES.
10	<u>§ 2317. APPLICABILITY.</u>
11	THE PROVISIONS OF THIS CHAPTER SHALL NOT NEGATE OR LIMIT THE
12	RESPONSIBILITIES OF ANY PRODUCER UNDER THIS TITLE, 74 PA.C.S
13	(RELATING TO TRANSPORTATION) OR 75 PA.C.S. (RELATING TO
14	<u>VEHICLES).</u>
15	<u>§ 2318. EXPIRATION.</u>
16	(A) NOTICETHE SECRETARY OF THE COMMONWEALTH SHALL, UPON
17	THE IMPOSITION OF A SEVERANCE TAX ON UNCONVENTIONAL WELLS IN
18	THIS COMMONWEALTH, SUBMIT FOR PUBLICATION IN THE PENNSYLVANIA
19	BULLETIN NOTICE OF THE IMPOSITION.
20	(B) DATETHIS CHAPTER SHALL EXPIRE ON THE DATE OF THE
21	PUBLICATION OF THE NOTICE UNDER SUBSECTION (A).
22	<u>CHAPTER 25</u>
23	NATURAL GAS ENERGY DEVELOPMENT PROGRAM
24	<u>SEC.</u>
25	2501. DEFINITIONS.
26	2502. ASSESSMENT.
27	2503. PROGRAM.
28	<u>§ 2501. DEFINITIONS.</u>
29	THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
30	SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE

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1	CONTEXT CLEARLY INDICATES OTHERWISE:
2	"AUTHORITY." THE COMMONWEALTH FINANCING AUTHORITY
3	<u>ESTABLISHED IN 64 PA.C.S. § 1511 (RELATING TO AUTHORITY).</u>
4	"COMMISSION." AS DEFINED IN SECTION 2301 (RELATING TO
5	DEFINITIONS).
6	"ELIGIBLE APPLICANT." ANY OF THE FOLLOWING:
7	(1) A SCHOOL DISTRICT.
8	(2) A COUNTY OR MUNICIPALITY.
9	(3) A COMMONWEALTH AUTHORITY.
10	(4) A MUNICIPAL AUTHORITY.
11	(5) THE PENNSYLVANIA TURNPIKE COMMISSION.
12	(6) A LOCAL TRANSPORTATION ORGANIZATION.
13	(7) A NONPROFIT ENTITY.
14	(8) A STATE-OWNED OR STATE-RELATED UNIVERSITY.
15	"LOCAL TRANSPORTATION ORGANIZATION." ANY OF THE FOLLOWING:
16	(1) A POLITICAL SUBDIVISION.
17	(2) A PUBLIC TRANSPORTATION AUTHORITY, PORT AUTHORITY OR
18	REDEVELOPMENT AUTHORITY, WHICH IS:
19	(I) ORGANIZED UNDER:
20	(A) THE LAWS OF THIS COMMONWEALTH; OR
21	(B) AN INTERSTATE COMPACT; OR
22	(II) OTHERWISE EMPOWERED TO RENDER, CONTRACT TO
23	RENDER OR ASSIST IN RENDERING TRANSPORTATION SERVICES IN
24	A LIMITED AREA IN THIS COMMONWEALTH EVEN THOUGH IT MAY
25	ALSO RENDER OR ASSIST IN RENDERING TRANSPORTATION SERVICE
26	IN ADJACENT STATES.
27	(3) A NONPROFIT ASSOCIATION WHICH DIRECTLY OR INDIRECTLY
28	PROVIDES PUBLIC TRANSPORTATION SERVICE.
29	(4) A NONPROFIT ASSOCIATION OF PUBLIC TRANSPORTATION
30	PROVIDERS OPERATING WITHIN THIS COMMONWEALTH.

1	"MUNICIPALITY." A BOROUGH, CITY, TOWN OR TOWNSHIP.
2	"PRODUCER." AS DEFINED IN SECTION 2301 (RELATING TO
3	DEFINITIONS).
4	"UNCONVENTIONAL WELL." AS DEFINED IN SECTION 2301 (RELATING
5	TO DEFINITIONS).
6	"VERTICAL GAS WELL." AS DEFINED IN SECTION 2301 (RELATING TO
7	DEFINITIONS).
8	<u>§ 2502. ASSESSMENT.</u>
9	(A) IMPOSITIONTHERE SHALL BE IMPOSED AN ASSESSMENT BY THE
10	COMMISSION ON UNCONVENTIONAL WELLS LOCATED IN THIS COMMONWEALTH
11	PRIOR TO JANUARY 1, 2011.
12	(B) UNCONVENTIONAL WELL THE ASSESSMENT FOR EACH
13	UNCONVENTIONAL WELL SHALL BE DETERMINED AS FOLLOWS:
14	(1) THE ASSESSMENT FOR EACH UNCONVENTIONAL WELL, OTHER
15	THAN A VERTICAL GAS WELL, PRODUCING NATURAL GAS PRIOR TO
16	<u>JANUARY 1, 2011, SHALL BE \$20,000.</u>
17	(2) THE ASSESSMENT FOR EACH VERTICAL GAS WELL PRODUCING
18	NATURAL GAS PRIOR TO JANUARY 1, 2011, SHALL BE \$10,000.
19	(3) THE ASSESSMENT FOR EACH UNCONVENTIONAL WELL DRILLED
20	BUT NOT PRODUCING NATURAL GAS PRIOR TO JANUARY 1, 2011, SHALL
21	<u>BE \$8,000.</u>
22	(C) DEADLINE AND PAYMENTFOR CALENDAR YEAR 2010, A REPORT
23	IN ACCORDANCE WITH SECTION 2303(D) (RELATING TO ADMINISTRATION)
24	SHALL BE FILED BY DECEMBER 31, 2011, AND THE ASSESSMENT DUE
25	SHALL BE PAID AS FOLLOWS:
26	(1) FIFTY PERCENT OF THE ASSESSMENT SHALL BE PAID BY
27	<u>JUNE 30, 2012.</u>
28	(2) FIFTY PERCENT OF THE ASSESSMENT SHALL BE PAID BY
29	SEPTEMBER 30, 2012.
30	(D) DEPOSIT OF FUNDSFUNDS RECEIVED FROM THE ASSESSMENT

1	UNDER THIS SECTION SHALL BE DEPOSITED BY THE COMMISSION INTO THE
2	RESTRICTED RECEIPTS ACCOUNT ESTABLISHED UNDER SECTION 2314(A)
3	(RELATING TO DISTRIBUTION OF FEE).
4	<u>§ 2503. PROGRAM.</u>
5	(A) ESTABLISHMENT AND PURPOSE THE NATURAL GAS ENERGY
6	DEVELOPMENT PROGRAM IS ESTABLISHED. THE PURPOSE OF THE PROGRAM
7	IS TO FUND PROJECTS UNDER THIS SECTION.
8	(B) APPROPRIATIONBY NOVEMBER 1, 2012, AN AMOUNT EQUAL TO
9	THE FUNDS COLLECTED UNDER SECTION 2502 (RELATING TO ASSESSMENT)
10	SHALL BE TRANSFERRED FROM THE RESTRICTED RECEIPTS ACCOUNT
11	ESTABLISHED UNDER SECTION 2314(A) (RELATING TO DISTRIBUTION OF
12	FEE) TO THE AUTHORITY. THE AUTHORITY SHALL USE THE FUNDS TO
13	PROMOTE DOMESTIC ENERGY DEVELOPMENT PROJECTS UTILIZING NATURAL
14	GAS.
15	(C) PROJECTS
16	(1) FUNDS TRANSFERRED TO THE AUTHORITY UNDER SUBSECTION
17	(B) SHALL BE UTILIZED FOR GRANTS, LOANS, REIMBURSEMENTS OR
18	REBATES TO ELIGIBLE APPLICANTS FOR ANY OF THE FOLLOWING
19	PROGRAMS:
20	(I) THE CONVERSION OR REPLACEMENT OF BUSES WITH
21	NATURAL GAS VEHICLES.
22	(II) THE CONVERSION OR REPLACEMENT OF PUBLIC TRANSIT
23	AUTHORITY VEHICLES WITH NATURAL GAS VEHICLES.
24	(III) THE CONVERSION OR REPLACEMENT OF MEDIUM AND
25	HEAVY DUTY VEHICLES, INCLUDING GARBAGE TRUCKS, STREET
26	SWEEPERS AND PLOW TRUCKS, OPERATED BY ELIGIBLE
27	APPLICANTS.
28	(IV) THE CONSTRUCTION OF NATURAL GAS FUELING
29	STATIONS.
30	(V) THE PURCHASE AND INSTALLATION OF THE NECESSARY

1	NATURAL GAS FLEET REFUELING EQUIPMENT FOR VEHICLES
2	OPERATING ON NATURAL GAS.
3	(2) A PRODUCER SHALL NOT BE ELIGIBLE FOR A GRANT, LOAN,
4	REIMBURSEMENT OR REBATE UNDER THIS SUBSECTION.
5	(D) GUIDELINESFUNDS UNDER THIS SECTION SHALL BE USED IN
6	ACCORDANCE WITH GUIDELINES OF THE AUTHORITY. GUIDELINES MAY
7	REQUIRE THE ELIGIBLE APPLICANT TO PROVIDE MATCHING FUNDS NOT TO
8	EXCEED 50% OF THE TOTAL COST OF THE PROJECT.
9	(E) APPLICATION AN APPLICANT SHALL SUBMIT AN APPLICATION
10	INCLUDING SUPPORTING INFORMATION AS REQUIRED BY THE AUTHORITY.
11	(F) ADMINISTRATIVE COSTSNO MORE THAN 1% OF THE FUNDS
12	APPROPRIATED TO THE AUTHORITY UNDER SUBSECTION (B) SHALL BE USED
13	FOR ADMINISTRATIVE COSTS.
14	(G) APPLICANT ELIGIBILITYIN ORDER TO BE ELIGIBLE TO
15	RECEIVE FUNDS UNDER THIS SECTION, AN APPLICANT MUST PROVIDE THE
16	FOLLOWING:
17	(1) A DETAILED DESCRIPTION OF THE PROJECT, INCLUDING THE
18	PROPOSED USE OF FUNDS AND AN EXPLANATION OF HOW THE PROJECT
19	WILL FULFILL THE GOALS OF THIS SECTION.
20	(2) THE COST OF THE PROJECT.
21	(3) THE SOURCE AND AMOUNT OF ANY FUNDS TO BE CONTRIBUTED
22	BY THE APPLICANT.
23	(4) A DESCRIPTION OF HOW THE PROJECT WILL INCREASE THIS
24	COMMONWEALTH'S USE OF DOMESTIC NATURAL GAS.
25	(H) PROJECT ELIGIBILITYIN ORDER TO BE ELIGIBLE FOR
26	FUNDING UNDER THIS SECTION, A PROJECT SHALL BE LOCATED IN THIS
27	COMMONWEALTH.
28	(I) PROJECT REVIEWTHE AUTHORITY SHALL REVIEW AND PREPARE
29	AN ASSESSMENT OF EACH APPLICATION AND DETERMINE WHICH PROJECTS
30	WILL BEST UTILIZE AND PROMOTE THE USE OF DOMESTICALLY PRODUCED
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1	NATURAL GAS IN THIS COMMONWEALTH. PROJECTS SHALL BE AWARDED IN
2	ACCORDANCE WITH 64 PA.C.S. § 1512 (RELATING TO BOARD). THE
3	DEPARTMENT OR THE DEPARTMENT OF COMMUNITY AND ECONOMIC
4	DEVELOPMENT SHALL PROVIDE TECHNICAL ASSISTANCE AS APPROPRIATE.
5	(J) REPORTTHE AUTHORITY SHALL PROVIDE A REPORT TO THE
6	CHAIRMAN AND MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE
7	OF THE SENATE AND THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
8	APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES BY
9	OCTOBER 1, 2013, AND EACH OCTOBER 1 THEREAFTER. THE REPORT SHALL
10	BE MAINTAINED ON THE AUTHORITY'S OFFICIAL INTERNET WEBSITE AND
11	SHALL INCLUDE:
12	(1) A LIST OF ALL GRANTS, LOANS, REIMBURSEMENTS AND
13	REBATES APPROVED AND LOANS REPAID DURING THE PREVIOUS FISCAL
14	YEAR, INCLUDING THE AMOUNT OF THE LOAN OR GRANT AND A
15	DESCRIPTION OF EACH APPROVED PROJECT.
16	(2) THE ESTIMATED DOMESTIC ENERGY BENEFITS TO DATE FOR
17	ALL PROJECTS RECEIVING FUNDING DURING THE FISCAL YEAR AND THE
18	METHOD USED TO DETERMINE ESTIMATED BENEFITS.
19	<u>CHAPTER 31</u>
20	(RESERVED)
21	<u>CHAPTER 32</u>
22	REGULATION
23	<u>Subchapter</u>
24	A. Preliminary Provisions
25	<u>B. General Requirements</u>
26	<u>C. Underground Gas Storage</u>
27	<u>D. Eminent Domain</u>
28	E. Enforcement and Remedies
29	<u>F. (Reserved)</u>
30	<u>G. Miscellaneous Provisions</u>

1	SUBCHAPTER A
2	PRELIMINARY PROVISIONS
3	<u>Sec.</u>
4	<u>3201. Scope of chapter.</u>
5	3202. Declaration of purpose.
6	3203. Definitions.
7	<u>§ 3201. Scope of chapter.</u>
8	This chapter relates to oil and gas.
9	<u>§ 3202. Declaration of purpose.</u>
10	The purposes of this chapter are to:
11	(1) Permit optimal development of oil and gas resources
12	of this Commonwealth consistent with protection of the
13	health, safety, environment and property of Pennsylvania
14	<u>citizens.</u>
15	(2) Protect the safety of personnel and facilities
16	employed in coal mining or exploration, development, storage
17	and production of natural gas or oil.
18	(3) Protect the safety and property rights of persons
19	residing in areas where mining, exploration, development,
20	storage or production occurs.
21	(4) Protect the natural resources, environmental rights
22	and values secured by the Constitution of Pennsylvania.
23	<u>§ 3203. Definitions.</u>
24	The following words and phrases when used in this chapter
25	shall have the meanings given to them in this section unless the
26	context clearly indicates otherwise:
27	"Abandoned well." Any of the following:
28	(1) A well:
29	(i) that has not been used to produce, extract or
30	inject any gas, petroleum or other liquid within the

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1	preceding 12 months;
2	(ii) for which equipment necessary for production,
3	extraction or injection has been removed; or
4	(iii) considered dry and not equipped for production
5	within 60 days after drilling, redrilling or deepening.
6	(2) The term does not include wells granted inactive
7	<u>status.</u>
8	"Alteration." An operation which changes the physical
9	characteristics of a well bore, including stimulation or
10	removing, repairing or changing the casing. For the purpose of
11	this chapter, the term does not include:
12	(1) Repairing or replacing of the casing if the
13	operation does not affect the depth or diameter of the well
14	bore, the use or purpose of the well does not change and the
15	activity complies with regulations promulgated under this
16	chapter. This paragraph shall not apply:
17	(i) to production casings in coal areas when the
18	production casings are also the coal protection casings;
19	or
20	(ii) when the method of repairing or replacing the
21	casing would affect the coal protection casing.
22	(2) Stimulation of a well.
23	"Board." The Oil and Gas Technical Advisory Board.
24	"Bridge." An obstruction placed in a well at any depth.
25	"Building." An occupied structure with walls and roof within
26	which persons live or customarily work.
27	"Casing." A string or strings of pipe commonly placed in
28	wells drilled for natural gas or petroleum.
29	"Cement" or "cement grout." Any of the following:
30	(1) Hydraulic cement properly mixed with water only.

1	(2) A mixture of materials adequate for bonding or
2	sealing of well bores as approved by regulations promulgated
3	under this chapter.
4	"Coal mine." Any of the following:
5	(1) Operations in a coal seam, including excavated
6	portions, abandoned portions and places actually being
7	worked.
8	(2) Underground workings and shafts, slopes, tunnels and
9	other ways and openings, including those which are in the
10	course of being sunk or driven, along with all roads and
11	facilities connected with them below the surface.
12	"Coal operator." A person that operates or proposes to
13	<u>operate a coal mine as an owner or lessee.</u>
14	"Completion of a well." The date after treatment, if any,
15	that the well is properly equipped for production of oil or gas,
16	or, if the well is dry, the date that the well is abandoned.
17	"Department." The Department of Environmental Protection of
18	the Commonwealth.
19	"Drilling." The drilling or redrilling of a well or the
20	deepening of an existing well.
21	"Fresh groundwater." Water in that portion of the generally
22	recognized hydrologic cycle which occupies the pore spaces and
23	
20	fractures of saturated subsurface materials.
24	fractures of saturated subsurface materials. <u>"Gas." Any of the following:</u>
24	"Gas." Any of the following:
24 25	"Gas." Any of the following: (1) A fluid, combustible or noncombustible, which is
24 25 26	"Gas." Any of the following: (1) A fluid, combustible or noncombustible, which is produced in a natural state from the earth and maintains a
24 25 26 27	"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

1	"Inactivate." To shut off the vertical movement of gas in a
2	gas storage well by means of a temporary plug or other suitable
3	device or by injecting bentonitic mud or other equally nonporous
4	material into the well.
5	"Linear foot." A unit or measurement in a straight line on a
6	horizontal plane.
7	"Oil." Hydrocarbons in liquid form at standard temperature
8	of 60 degrees Fahrenheit and pressure 14.7 PSIA, also referred
9	to as petroleum.
10	"Operating coal mine." Any of the following:
11	(1) An underground coal mine which is producing coal or
12	has been in production of coal at any time during the 12
13	months immediately preceding the date its status is put in
14	question, including contiguous worked-out or abandoned coal
15	mines to which it is connected underground.
16	(2) An underground coal mine to be established or
17	reestablished under paragraph (1).
18	"Operating well." A well that is not plugged and abandoned.
19	"Orphan well." A well abandoned prior to April 18, 1985,
20	that has not been affected or operated by the present owner or
21	operator and from which the present owner, operator or lessee
22	has received no economic benefit other than as a landowner or
23	recipient of a royalty interest from the well.
24	"Outside coal boundaries." When used in conjunction with the
25	term "operating coal mine," the boundaries of the coal acreage
26	assigned to the coal mine under an underground mine permit
27	issued by the Department of Environmental Protection.
28	"Owner." A person who owns, manages, leases, controls or
29	possesses a well or coal property. The term does not apply to
30	orphan wells, except where the Department of Environmental

1	Protection determines a prior owner or operator benefited from
2	the well as provided in section 3220(a) (relating to plugging
3	requirements).
4	"Person." An individual, association, partnership,
5	corporation, political subdivision or agency of the Federal
6	Government, State government or other legal entity.
7	"Petroleum." Hydrocarbons in liquid form at standard
8	temperature of 60 degrees Fahrenheit and pressure 14.7 PSIA,
9	also referred to as oil.
10	"Pillar." A solid block of coal surrounded by either active
11	<u>mine workings or a mined-out area.</u>
12	"Plat." A map, drawing or print accurately drawn to scale_
13	showing the proposed or existing location of a well or wells.
14	"Reservoir protective area." The area surrounding a storage
15	reservoir boundary, but within 2,000 linear feet of the storage
16	reservoir boundary, unless an alternate area has been designated
17	by the Department of Environmental Protection, which is deemed
18	reasonably necessary to afford protection to the reservoir,
19	under a conference held in accordance with section 3251
20	(relating to conferences).
21	"Retreat mining." Removal of coal pillars, ribs and stumps
22	remaining after development mining has been completed in that
23	section of a coal mine.
24	"Secretary." The Secretary of Environmental Protection of
25	the Commonwealth.
26	"Storage operator." A person who operates or proposes to
27	<u>operate a storage reservoir as an owner or lessee.</u>
28	"Storage reservoir." That portion of a subsurface geological
29	stratum into which gas is or may be injected for storage
30	purposes or to test suitability of the stratum for storage.

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1	"Unconventional formation." A geological SHALE formation
2	existing below the base of the Elk Sandstone or its geologic
3	equivalent stratigraphic interval where natural gas generally
4	cannot be produced at economic flow rates or in economic volumes
5	except by vertical or horizontal well bores stimulated by
6	hydraulic fracture treatments or by using multilateral well
7	bores or other techniques to expose more of the formation of the
8	well bore.
9	"Unconventional well." A bore hole drilled or being drilled
10	for the purpose of or to be used for the production of natural
11	gas from an unconventional formation.
12	"Well." A bore hole drilled or being drilled for the purpose
13	of, or to be used for, producing, extracting or injecting gas,
14	petroleum or another liquid related to oil or gas production or
15	storage, including brine disposal, but excluding a bore hole
16	drilled to produce potable water. The term does not include a
17	bore hole drilled or being drilled for the purpose of, or to be
18	used for:
19	(1) Systems of monitoring, producing or extracting gas
20	from solid waste disposal facilities, if the bore hole is a
21	well subject to the act of July 7, 1980 (P.L.380, No.97),
22	known as the Solid Waste Management Act, which does not
23	<u>penetrate a workable coal seam.</u>
24	(2) Degasifying coal seams, if the bore hole is:
25	(i) used to vent methane to the outside atmosphere
26	from an operating coal mine; regulated as part of the
27	mining permit under the act of June 22, 1937 (P.L.1987,
28	No.394), known as The Clean Streams Law, and the act of
29	May 31, 1945 (P.L.1198, No.418), known as the Surface
30	Mining Conservation and Reclamation Act; and drilled by

1	the operator of the operating coal mine for the purpose
2	of increased safety; or
3	(ii) used to vent methane to the outside atmosphere
4	under a federally funded or State-funded abandoned mine
5	reclamation project.
6	"Well operator" or "operator." Any of the following:
7	(1) The person designated as operator or well operator
8	on the permit application or well registration.
9	(2) If a permit or well registration was not issued, a
10	person who locates, drills, operates, alters or plugs a well
11	or reconditions a well with the purpose of production from
12	the well.
13	(3) If a well is used in connection with underground
14	<u>storage of gas, a storage operator.</u>
15	"Wetland." Areas inundated or saturated by surface or
16	groundwater at a frequency and duration sufficient to support,
17	and which normally support, a prevalence of vegetation typically
18	adapted for life in saturated soil conditions, including swamps,
19	marshes, bogs and similar areas.
20	"Workable coal seams." A coal seam which:
21	(1) is actually being mined in the area in question
22	under this chapter by underground methods; or
23	(2) in the judgment of the Department of Environmental
24	Protection, can reasonably be expected to be mined by
25	underground methods.
26	SUBCHAPTER B
27	GENERAL REQUIREMENTS
28	Sec.
29	<u>3211. Well permits.</u>
30	3212. Permit objections.

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- 1 <u>3213. Well registration and identification.</u>
- 2 <u>3214. Inactive status.</u>
- 3 <u>3215. Well location restrictions.</u>
- 4 <u>3216. Well site restoration.</u>
- 5 3217. Protection of fresh groundwater and casing requirements.
- 6 <u>3218.</u> Protection of water supplies.
- 7 <u>3218.1.</u> Containment for unconventional wells.
- 8 3218.2. Transportation records regarding wastewater fluids.

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- 9 <u>3218.3. Emergency response information.</u>
- 10 <u>3218.4.</u> NOTIFICATION TO PUBLIC DRINKING WATER SYSTEMS.
- 11 <u>3218.5. CORROSION CONTROL REQUIREMENTS.</u>
- 12 <u>3218.6. GATHERING LINES.</u>
- 13 <u>3219. Use of safety devices.</u>
- 14 <u>3220. Plugging requirements.</u>
- 15 <u>3221. Alternative methods.</u>
- 16 <u>3222. Well reporting requirements.</u>
- 17 <u>3223. Notification and effect of well transfer.</u>
- 18 <u>3224. Coal operator responsibilities.</u>
- 19 <u>3225. Bonding.</u>
- 20 3226. Oil and Gas Technical Advisory Board.
- 21 <u>§ 3211. Well permits.</u>
- 22 (a) Permit required. -- No person shall drill a well or alter
- 23 an existing well, except for alterations which satisfy the
- 24 requirements of subsection (j), without having first obtained a
- 25 well permit under subsections (b), (c), (d) and (e) IN
- 26 ACCORDANCE WITH THIS SECTION. A copy of the permit shall be kept
- 27 at the well site during preparation and construction of the well
- 28 site or access road, drilling, operation or alteration of the
- 29 well. No person shall be required to obtain a permit to redrill
- 30 <u>a nonproducing well if the redrilling:</u>

1	(1) has been evaluated and approved as part of an order
2	from the department authorizing cleaning out and plugging or
3	replugging a nonproducing well under section 13(c) of the act
4	of December 18, 1984 (P.L.1069, No.214), known as the Coal
5	and Gas Resource Coordination Act; and
6	(2) is incidental to a plugging or replugging operation
7	and the well is plugged within 15 days of redrilling.
8	(b) PlatThe permit application shall be accompanied by a
9	plat prepared by a competent engineer or a competent surveyor,
10	on forms furnished by the department, showing the political
11	subdivision and county in which the tract of land upon which the
12	well to be drilled, operated or altered, is located, the name of
13	the surface landowner of record and lessor, the name of all
14	surface landowners or water purveyors whose water supplies are
15	within 1,000 feet, or in the case of an unconventional well
16	within 3,000 feet from the VERTICAL well bore, the name of the
17	owner of record or operator of all known underlying workable
18	coal seams, the acreage in the tract to be drilled, the proposed
19	location of the well determined by survey, courses and distances
20	of the location from two or more permanent identifiable points
21	or landmarks on the tract boundary corners, the proposed angle
22	and direction of the well if the well is to be deviated
23	substantially from a vertical course, the number or other
24	identification to be given the well, workable coal seams
25	underlying the tract of land upon which the well is to be
26	drilled, operated or altered and which shall be cased off under
27	section 3217 (relating to protection of fresh groundwater and
28	casing requirements) and any other information needed by the
29	department to administer this chapter. The applicant shall
30	(B.1) NOTIFICATION THE FOLLOWING SHALL APPLY:

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1	(1) THE APPLICANT SHALL forward by certified mail a copy
2	of the plat to the following:
3	(1) The surface landowner.
4	(2) All surface landowners or water purveyors whose
5	water supplies are within 1,000 feet of the proposed well
6	location or, in the case of an unconventional well, within
7	3,000 feet of the well bore.
8	(3) The owner and lessee, if any, of any workable coal
9	seams and every coal operator required to be identified on
10	the well permit application and shall submit proof of such
11	notification with the well permit application.
12	(4) The municipality where the proposed unconventional
13	well is located and a municipality within 3,000 feet of the
14	proposed unconventional well bore.
15	(b.1) Notification Notification of surface owners-
10	TD.I) NOULICATION. NOULICATION OF SUITACE OWNERS
16	shall be
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16	shall be
16 17	<u>shall be</u> (I) THE SURFACE LANDOWNER.
16 17 18	shall be         (I) THE SURFACE LANDOWNER.         (II) ALL SURFACE LANDOWNERS OR WATER PURVEYORS WHOSE
16 17 18 19	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
16 17 18 19 20	shall be       (I) THE SURFACE LANDOWNER.       (II)         (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,
16 17 18 19 20 21	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.
16 17 18 19 20 21 22	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, UITHIN 3,000 FEET OF THE VERTICAL WELL BORE. (III) THE OWNER AND LESSEE, IF ANY, OF ANY WORKABLE
16 17 18 19 20 21 22 23	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
16 17 18 19 20 21 22 23 24	<pre>shall be     (1) THE SURFACE LANDOWNER.     (11) ALL SURFACE LANDOWNERS OR WATER PURVEYORS WHOSE     (11) 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,     UITHIN 3,000 FEET OF THE VERTICAL WELL BORE.     (111) 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</pre>
16 17 18 19 20 21 22 23 24 25	shall be       (1) THE SURFACE LANDOWNER.       (II) ALL SURFACE LANDOWNERS OR WATER PURVEYORS WHOSE         (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
16 17 18 19 20 21 22 23 24 25 26	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.
16 17 18 19 20 21 22 23 24 25 26 27	<pre>shall be     (1) THE SURFACE LANDOWNER.     (1) 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,     UITHIN 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</pre>
16 17 18 19 20 21 22 23 24 25 26 27 28	Shall be (1) THE SURFACE LANDOWNER. (1) 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, UITHIN 3,000 FEET OF THE VERTICAL WELL BORE. (111) 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.

1	(V) STORAGE OPERATORS WITHIN 3,000 FEET OF THE
2	PROPOSED UNCONVENTIONAL VERTICAL WELL BORE.
3	(2) NOTIFICATION OF SURFACE OWNERS SHALL BE performed by
4	sending notice to those persons to whom the tax-notices for
5	the surface property are sent, as indicated in the assessment
6	books in the county in which the property is located.
7	Notification of surface landowners or water purveyors whose
8	water supplies are within 1,000 feet, or in the case of an
9	unconventional well within 3,000 feet of the well bore shall_
10	be on forms, and in a manner prescribed by the department,
11	sufficient to identify the rights afforded those persons
12	<u>under section 3218 (relating to protection of water supplies)</u>
13	and advise them of the advisability of taking their own
14	predrilling or prealteration survey. The applicant shall
15	submit proof of compliance with this subsection with the well
16	permit application.
17	(b.2) ApprovalIf the applicant submits to the department
18	written approval of the proposed well location by the surface
19	landowner and the coal operator, lessee or owner of any coal
20	underlying the proposed well location and no objections are
21	raised by the department within 15 days of filing, or if no
22	approval has been submitted and no objections are made to the
23	proposed well location within 15 days from receipt of notice by
24	the department, lessee or owner, the written approval shall be
25	THE SURFACE LANDOWNER AND THE COAL OPERATOR, LESSEE OR OWNER, IF
26	ANY, OR BY THE DEPARTMENT THE SAME SHALL BE filed and become a
27	permanent record of the well location, subject to inspection at
28	any time by any interested person. The application form to
29	operate an abandoned or orphan well shall provide notification
30	to the applicant of its responsibilities to plug the well upon

1 <u>abandonment.</u>

2	(c) ApplicantsIf the applicant for a well permit is a
3	corporation, partnership or person that is not a resident of
4	this Commonwealth, the applicant shall designate the name and
5	address of an agent for the operator who shall be the attorney-
6	in-fact for the operator and who shall be a resident of this
7	Commonwealth upon whom notices, orders or other communications
8	issued under this chapter may be served and upon whom process
9	may be served. Each well operator required to designate an agent
10	under this section shall, within five days after termination of
11	the designation, notify the department of the termination and
12	<u>designate a new agent.</u>
13	(d) Permit feeEach application for a well permit shall be
14	accompanied by a permit fee, established by regulation of the
15	Environmental Quality Board, which bears a reasonable
16	relationship to the cost of administering this chapter.
17	(e) Issuance of permitThe department shall issue a permit
18	within 45 days of submission of an application unless the
19	department denies the permit application for any of the reasons
20	set forth in subsection (e.1), except that the department shall
21	have the right to extend the period for 15 days for cause shown
22	upon notification to the applicant of the reasons for the
23	extension. The department may impose permit terms and conditions
24	necessary to assure compliance with this chapter or other laws
25	administered by the department.
26	(e.1) Denial of permitThe department may deny a permit
27	for any of the following reasons:
28	(1) The well site for which a permit is requested is in
29	violation of this chapter or issuance of the permit would
30	result in a violation of this chapter or other applicable

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1 <u>law.</u>

2	(2) The permit application is incomplete.
3	(3) Unresolved objections to the well location by coal
4	<u>mine owner or operator remain.</u>
5	(4) The requirements of section 3225 (relating to
6	bonding) have not been met.
7	(5) The applicant, with respect to any other well
8	operated by the applicant, is in continuing violation of this
9	chapter or other applicable law administered by the
10	department and the likely result of the violation is an
11	unsafe operation or environmental damage. If a final
12	determination OF THE VIOLATION has been made in the
13	applicant's favor, the permit denied DEPARTMENT shall be
14	reconsidered RECONSIDER THE APPLICATION and the violation
15	shall not be a consideration in the awarding of the permit
16	CONSIDERED IN THE APPLICATION REVIEW. The department may not
17	collect an application fee for the reconsideration.
18	(6) The applicant failed to pay THE FEE or file a report 🗲
19	under section 2303(d) and (e) (relating to administration),
20	unless a valid AN appeal is in process PENDING. The
21	commission shall notify the department of any applicant who
22	has failed to pay THE FEE or file a return REPORT and who
23	does not have a valid AN appeal pending.
24	(7) An applicant to drill an unconventional well does
25	not have a reasonable written plan to reuse at least 30% of
26	the total water that will be used to hydraulically fracture
27	the well the water management plan submitted by the applicant
28	TO DRILL AN UNCONVENTIONAL WELL DOES NOT INCLUDE A REUSE PLAN
29	FOR FLUIDS THAT WILL BE USED TO HYDRAULICALLY FRACTURE THAT
30	WELL.

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1	(f) DrillingUpon issuance of a permit, the well operator
2	may proceed to drill, operate or alter the well at the exact
3	location shown on the plat after providing the department, the
4	surface landowner and the local political subdivision in which
5	the well is to be located 24 hours' notice of the date that
6	drilling will commence. In noncoal areas where more than one
7	well is to be drilled as part of the same development project,
8	only the first well of the project need be located by survey.
9	Remaining wells of the project shall be shown on the plat in a
10	manner prescribed by regulation. Prior to drilling each
11	additional project well, the well operator shall notify the
12	department and provide reasonable notice of the date on which
13	drilling will commence. Whenever, before or during the drilling
14	of a well not within the boundaries of an operating coal mine,
15	the well operator encounters conditions of a nature which
16	renders drilling of the bore hole or a portion thereof
17	impossible, or more hazardous than usual, the well operator,
18	upon verbal notice to the department, may immediately plug all
19	or part of the bore hole, if drilling has occurred, and commence
20	<u>a new bore hole not more than 50 feet from the old bore hole if</u>
21	the location of the new bore hole does not violate section 3215
22	(relating to well location restrictions) and, in the case of a
23	well subject to act of July 25, 1961 (P.L.825, No.359), known as
24	the Oil and Gas Conservation Law, if the new location complies
25	with existing laws, regulations and spacing orders and the new
26	bore hole is at least 330 feet from the nearest lease boundary.
27	Within ten days of commencement of the new bore hole, the well
28	operator shall file with the department a written notice of
29	intention to plug, a well record, a completion report, a
30	plugging certificate for the original bore hole and an amended
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1	plat for the new bore hole. The well operator shall forward a
2	copy of the amended plat to the surface landowner identified on
3	the well permit application within ten days of commencement of
4	the new well bore.
5	(g) PostingThe well permit number and operator's name,
6	address and telephone number shall be conspicuously posted at
7	the drilling site prior to initiating DURING SITE preparation
8	and during, INCLUDING THE CONSTRUCTION OF ACCESS ROADS,
9	construction of the well site or access road, AND DURING
10	drilling, operation or alteration of the well.
11	(h) LabelingThe well operator shall install the permit
12	number issued by the department in a legible, visible and
13	permanent manner on the well upon completion.
14	(i) ExpirationWell permits issued for drilling wells
15	under this chapter shall expire one year after issuance unless
16	operations for drilling the well are commenced within the period
17	and pursued with due diligence or unless the permit is renewed
18	in accordance with regulations of the department. If drilling is
19	commenced during the one-year period, the well permit shall
20	remain in force until the well is plugged in accordance with
21	section 3220 (relating to plugging requirements) or the permit
22	is revoked. A drilling permit issued prior to April 18, 1985,
23	for a well which is an operating well on April 18, 1985, shall
24	remain in force as a well permit until the well is plugged in
25	accordance with section 3220. Nothing in this subsection shall
26	be construed to rescind the provisions pertaining to drilling
27	permits contained in the Oil and Gas Conservation Law.
28	(j) ExceptionsThe Environmental Quality Board may
29	establish by regulation certain categories of alterations of
30	permitted or registered wells for which permitting requirements

1	of this section shall not apply. A well operator or owner who
2	proposes to conduct the alteration activity shall first obtain a
3	permit or registration modification from the department. The
4	Environmental Quality Board shall promulgate regulations as to
5	the requirements for modifications.
6	(k) No transfer permittedNo permit issued under this
7	section or registration issued under section 3213 (relating to
8	well registration and identification) may be transferred without
9	prior approval of the department. A request for approval of a
10	transfer shall be on the forms, and in the manner, prescribed by
11	the department. The department shall approve or deny a transfer
12	request within 45 days of receipt of a complete and accurate
13	application. The department may deny a request only for reasons
14	set forth in subsection (e.1)(4), (5) and (6). Approval of a
15	transfer request shall permanently transfer responsibility to
16	plug the well under section 3220 to the recipient of the
17	transferred permit or registration. The department may establish
18	a procedure for accelerated approval of well permit applications
19	in hardship cases, as defined by regulation of the Environmental
20	Quality Board, consistent with the requirements of this chapter.
21	<u>§ 3212. Permit objections.</u>
22	(a) General ruleIf a well referred to in section 3211(b)
23	(relating to well permits) will be located on a tract whose
24	surface is owned by a person other than the well operator, the
25	surface landowner affected shall be notified of the intent to
26	drill and may file objections, in accordance with section 3251
27	(relating to conferences), based on the assertion that the well
28	location violates section 3215 (relating to well location
29	restrictions) or that information in the application is untrue
30	in any material respect, within 15 days of the receipt by the

1	surface owner of the plat under section 3211(b). Receipt of
2	notice by the surface owner shall be presumed to have occurred
3	15 days from the date of the certified mailing when the well
4	operator submits a copy of the certified mail receipt sent to
5	the surface owner and an affidavit certifying that the address
6	of the surface owner to which notice was sent is the same as the
7	address listed in the assessment books in the county where the
8	property is located. If no objection is filed or none is raised
9	by the department within 15 days after receipt of the plat by
10	the surface landowner, or if written approval by the surface
11	landowner is filed with the department and no objection is
12	raised by the department within 15 days of filing, the
13	department shall proceed to issue or deny the permit.
14	(b) Special circumstancesIf a well referred to in section
15	3211(b) will penetrate within the outside coal boundaries of an
16	operating coal mine or a coal mine already projected and platted
17	but not yet being operated, or within 1,000 linear feet beyond
18	those boundaries, and, in the opinion of the coal owner or
19	operator, the well or a pillar of coal about the well will
20	unduly interfere with or endanger the mine, the coal owner or
21	operator affected may file objections under section 3251 to the
22	proposed location within 15 days of the receipt by the coal
23	operator of the plat under section 3211(b). If possible, an
24	alternative location at which the proposed well could be drilled
25	to overcome the objections shall be indicated. If no objection
26	to the proposed location is filed or if none is raised by the
27	department within 15 days after receipt of the plat by the coal
28	operator or owner, or if written approval by the coal operator
29	or owner of the location is filed with the department and no
30	objection is raised by the department within 15 days of filing,

1	the department shall proceed to issue or deny the permit.
2	(c) Procedure upon objectionIf an objection is filed by a
3	coal operator or owner or made by the department, the department
4	shall fix a time and place for a conference under section 3251
5	not more than ten days from the date of service of the objection
6	to allow the parties to consider the objection and attempt to
7	agree on a location. If they fail to agree, the department, by
8	an appropriate order, shall determine a location on the tract of
9	land as near to the original location as possible where, in the
10	judgment of the department, the well can be safely drilled
11	without unduly interfering with or endangering the mine as
12	defined in subsection (b). The new location agreed upon by the
13	parties or determined by the department shall be indicated on
14	the plat on file with the department and become a permanent
15	record upon which the department shall proceed to issue or deny
16	the permit.
17	(d) SurveyWithin 120 days after commencement of drilling
18	operations, the coal operator shall accurately locate the well
19	by a closed survey on the same datum as the mine workings or
20	coal boundaries are mapped, file the results of the survey with
21	the department and forward a copy by certified mail to the well
22	<u>operator.</u>
23	§ 3213. Well registration and identification.
24	(a) General ruleOn or before July 5, 1996, each person
25	who owned or operated a well in existence prior to April 18,
26	1985, which has not been registered with the department and for
27	which no drilling permit has been issued by the department,
28	shall register the well with the department. A well owner or
29	operator who registers under this subsection and a well owner or
30	operator who has previously registered a well under this chapter
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1	shall, on or before July 5, 1996, identify any abandoned well on
2	property which the well owner or operator owns or leases and
3	request approval from the department for classification of the
4	well as an orphan well. Information regarding wells to be
5	registered or identified shall be provided on a form, or in a
6	manner, prescribed by the department and shall include:
7	(1) The name and address of the well operator and, if
8	the well operator is a corporation, partnership or person
9	nonresident of this Commonwealth, the name and address of an
10	agent for the operator upon whom notices, orders, process or
11	other communications issued under this chapter may be served.
12	(2) The well name and the location of the well indicated
13	by a point on a 7 1/2 minute United States Geological Survey
14	topographic map or any other location description sufficient
15	to enable the department to locate the well on the ground.
16	(3) The approximate date of drilling and completing the
17	well, its approximate depth and producing horizons, well
18	construction information and, if available, driller's logs.
19	(4) An indemnity bond, an alternative fee in lieu of
20	bonding or other evidence of financial security submitted by
21	the well operator and deemed appropriate by the department
22	and satisfying the requirements of section 3225 (relating to
23	bonding). No bond, alternative fee or other evidence of
24	financial security shall be required for identification of an
25	orphan well. For wells drilled prior to January 30, 1956,
26	which have not been bonded, the well operator shall have five
27	years to comply with the provisions of this paragraph.
28	(5) A registration fee of \$15 per well or blanket
29	registration fee of \$250 for multiple well registration
30	applications submitted simultaneously. The registration fee

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1	shall be waived until July 5, 1996, and no fee shall be
2	charged for identification of an orphan well.
3	(a.1) Orphan wellsAfter July 5, 1996, a well owner, well
4	operator or other person discovering an abandoned well on
5	property purchased or leased by the well owner, well operator or
6	other person shall identify it to the department within 60 days
7	of discovery and advise the department that he is seeking
8	classification of the well as an orphan well. No fee shall be
9	required for identification.
10	(b) ExtensionThe department may extend the one-year time
11	period under subsection (a) for good cause shown. The extension
12	may not exceed a period ending two years from April 18, 1985.
13	The department may adopt and promulgate guidelines designed to
14	ensure a fair implementation of this section, recognizing the
15	practical difficulties of locating unpermitted wells and
16	complying with the reporting requirements of this chapter.
17	(c) Installation of registration numberThe well operator
18	shall install the registration number issued by the department
19	in a legible, conspicuous and permanent manner on the well_
20	<u>within 60 days of issuance.</u>
21	(d) DefinitionFor purposes of subsection (a)(4) and (5),
22	the term "owner" does not include an owner or possessor of
23	surface real property, on which an abandoned well is located,
24	who did not participate or incur costs in, and had no right of
25	control over, the drilling or extraction operation of the
26	abandoned well.
27	<u>§ 3214. Inactive status.</u>
28	(a) General ruleUpon application, the department shall
29	grant inactive status for a period of five years for a permitted
30	or registered well, if the following requirements are met:

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1	(1) the condition of the well is sufficient to prevent
2	damage to the producing zone or contamination of fresh water
3	or other natural resources or surface leakage of any
4	substance;
5	(2) the condition of the well is sufficient to stop the
6	vertical flow of fluids or gas within the well bore and is
7	adequate to protect freshwater aquifers, unless the
8	department determines the well poses a threat to the health
9	and safety of persons or property or to the environment;
10	(3) the operator anticipates construction of a pipeline
11	or future use of the well for primary or enhanced recovery,
12	gas storage, approved disposal or other appropriate uses
13	related to oil and gas well production; and
14	(4) the applicant satisfies the bonding requirements of
15	sections 3213 (relating to well registration and
16	identification) and 3225 (relating to bonding), except that
17	the department may require additional financial security for
18	<u>a well on which an alternative fee is being paid in lieu of</u>
19	bonding under section 3225(d).
20	(b) MonitoringThe owner or operator of a well granted
21	inactive status shall be responsible for monitoring the
22	mechanical integrity of the well to ensure that the requirements
23	of subsection (a)(1) and (2) are met and shall report the same
24	on an annual basis to the department in the manner and form
25	prescribed by departmental regulations.
26	(c) (Reserved).
27	(d) Return to active statusA well granted inactive status
28	under subsection (a) shall be plugged in accordance with section
29	3220 (relating to plugging requirements) or returned to active
30	status within five years of the date inactive status was

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1	granted, unless the owner or operator applies for an extension
2	<u>of inactive status which may be granted on a year-to-year basis</u>
3	if the department determines that the owner or operator has
4	demonstrated ability to continue meeting the requirements of
5	this section and the owner or operator certifies that the well
6	will be of future use within a reasonable period of time. An
7	owner or operator who has been granted inactive status for a
8	well which is returned to active status prior to expiration of
9	the five-year period set forth in subsection (a) shall notify
10	the department that the well has been returned to active status
11	and shall not be permitted to apply for another automatic five-
12	year period of inactive status for the well. The owner or
13	operator may make application to return the well to inactive
14	status, and the application may be approved on a year-to-year
15	basis if the department determines that the owner or operator
16	has demonstrated an ability to continue meeting the requirements
17	of this section and the owner or operator certifies that the
18	well will be of future use within a reasonable period of time.
19	The department shall approve or deny an application to extend a
20	period of inactive status or to return a well to inactive status
21	within 60 days of receipt of the application, and the
22	application shall not be unreasonably denied. If the department
23	has not completed its review of the application within 60 days,
24	the inactive status shall continue until the department has made
25	a determination on the request. If the department denies an
26	application to extend the period of inactive status or to return
27	a well to inactive status, a well owner or operator aggrieved by
28	the denial shall have the right to appeal the denial to the
29	Environmental Hearing Board within 30 days of receipt of the
30	denial. Upon cause shown by a well owner or operator, the board

1	may grant a supersedeas under section 4 of the act of July 13,
2	1988 (P.L.530, No.94), known as the Environmental Hearing Board
3	Act, so that the well in question may retain inactive status
4	during the period of the appeal.
5	(e) Revocation of inactive statusThe department may
6	revoke inactive status and order immediate plugging of a well if
7	the well is in violation of this chapter or rules or regulations
8	promulgated under this chapter or if the owner or operator
9	demonstrates inability to perform obligations under this chapter
10	or becomes financially insolvent, or upon receipt by the
11	department of notice of bankruptcy proceedings by the permittee.
12	<u>§ 3215. Well location restrictions.</u>
13	(a) General ruleWells may not be drilled within 200 feet,
14	or in the case of an unconventional well within 500 feet,
15	measured horizontally from any existing building or existing
16	water well without written consent of the owner of the building
17	or water well. If the distance restriction would deprive the
18	owner of the oil and gas rights of the right to produce or share
19	in the oil or gas underlying the surface tract, the well
20	operator may be granted a variance from the distance restriction
21	upon submission of a plan identifying the additional measures,
22	facilities or practices to be employed during well site
23	construction, drilling and operations. The variance, if granted,
24	shall include additional terms and conditions required by the
25	department to ensure safety and protection of affected persons
26	and property, including insurance, bonding, indemnification and
27	technical requirements.
28	(b) LimitationNo well site may be prepared or well
29	drilled within 100 feet, or in the case of an unconventional
30	well within 300 feet FROM THE VERTICAL WELL BORE OR 100 FEET

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1	FROM THE EDGE OF THE WELL PAD, WHICHEVER IS GREATER, measured
2	horizontally from any stream, spring or body of water as
3	identified on the most current 7 1/2 minute topographic
4	<u>quadrangle map of the United States Geological Survey or within</u>
5	100 feet of any wetlands greater than one acre in size. No
6	unconventional well may be located within 1,000 feet FROM THE
7	VERTICAL WELL BORE from a public water supply source as defined_
8	<u>in the Safe Drinking Water Act (Public Law 93-523, 21 U.S.C. §</u>
9	349 and 42 U.S.C. §§ 201 and 300f et seq.). The department may
10	waive the distance restrictions upon submission of a plan
11	identifying additional measures, facilities or practices to be
12	employed during well site construction, drilling and operations.
13	The waiver, if granted, shall impose permit conditions necessary
14	to protect the waters of the Commonwealth.
15	(c) Impact <del>On making a determination on a well permit</del> WHEN <b>(</b>
16	REVIEWING A WELL PERMIT APPLICATION, the department shall
16 17	REVIEWING A WELL PERMIT APPLICATION, the department shall
17	consider and may deny or condition a well permit based on the
17 18	consider and may deny or condition a well permit based on the impact of the proposed well on public resources, including, but
17 18 19	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:
17 18 19 20	<pre>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</pre>
17 18 19 20 21	<pre>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.</pre>
17 18 19 20 21 22	<pre>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.</pre>
17 18 19 20 21 22 23	<pre>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.</pre>
17 18 19 20 21 22 23 24	<pre>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</pre>
17 18 19 20 21 22 23 24 25	<pre>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.</pre>
17 18 19 20 21 22 23 24 25 26	<pre>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</pre>
17 18 19 20 21 22 23 24 25 26 27	<pre>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.</pre>

1 floodplain. 2 (d) Additional protective measures. -- The department may 3 establish additional protective measures for storage of hazardous chemicals and materials intended to be used, or that 4 have been used, on an unconventional well drilling site within 5 750 feet of a stream, spring or body of water identified on the 6 7 most current 7 1/2 minute topographic guadrangle map of the 8 United States Geological Survey. 9 (E) APPLICABILITY.--THE FOLLOWING SHALL APPLY: 10 (1) THIS SECTION SHALL NOT APPLY TO A WELL PROPOSED TO BE DRILLED ON ON EXISTING WELL SITE FOR WHICH AT LEAST ONE 11 12 WELL PERMIT HAS BEEN ISSUED PRIOR TO THE EFFECTIVE DATE OF 13 THIS SECTION. 14 (2) NOTHING IN THIS SECTION SHALL ALTER OR ABRIDGE THE TERMS OF ANY CONTRACTS, MORTGAGES OR OTHER AGREEMENTS ENTERED 15 INTO PRIOR TO TO THE EFFECTIVE DATE OF THIS SECTION. 16 § 3216. Well site restoration. 17 18 (a) General rule.--Each oil or gas well owner or operator shall restore the land surface within the area disturbed in 19 siting, drilling, completing and producing the well. 20 21 (b) Plan.--During and after earthmoving or soil disturbing activities, including, but not limited to, activities related to 22 23 siting, drilling, completing, producing and plugging the well, 24 erosion and sedimentation control measures shall be implemented in accordance with an erosion and sedimentation control plan 25 26 prepared in accordance with the act of June 22, 1937 (P.L.1987, 27 No.394), known as The Clean Streams Law. 28 (c) Pits, drilling supplies and equipment. --Within nine 29 months after completion of drilling of a well, the owner or operator shall restore the well site, remove or fill all pits 30

1	used to contain produced fluids or industrial wastes and remove
2	all drilling supplies and equipment not needed for production.
3	Drilling supplies and equipment not needed for production may be
4	stored on the well site if express written consent of the
5	<u>surface landowner is obtained.</u>
6	(d) Items related to production or storageWithin nine
7	months after plugging a well, the owner or operator shall remove
8	all production or storage facilities, supplies and equipment and
9	restore the well site.
10	(e) Clean Streams LawRestoration activities required by
11	this chapter or in regulations promulgated under this chapter
12	shall also comply with all applicable provisions of The Clean
13	Streams Law.
14	(f) Violation of chapterFailure to restore the well site
15	as required in this chapter or regulations promulgated under
16	this chapter constitutes a violation of this chapter.
17	(g) ExtensionThe restoration period may be extended by
18	the department for an additional six months upon application of
19	the well owner or operator upon evidence of inability to comply
20	due to adverse weather conditions or lack of essential fuel,
21	<u>equipment or labor.</u>
22	§ 3217. Protection of fresh groundwater and casing
23	<u>requirements.</u>
24	(a) General ruleTo aid in protection of fresh
25	groundwater, well operators shall control and dispose of brines
26	produced from the drilling, alteration or operation of an oil or
27	gas well in a manner consistent with the act of June 22, 1937
28	(P.L.1987, No.394), known as The Clean Streams Law, or any rule
29	or regulation promulgated under The Clean Streams Law.
30	(b) CasingTo prevent migration of gas or fluids into
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1	sources of fresh groundwater and pollution or diminution of
2	fresh groundwater, a string or strings of casing shall be run
3	and permanently cemented in each well drilled through the fresh
4	water-bearing strata to a depth and in a manner prescribed by
5	regulation by the department.
6	(c) Procedure when coal has been removedIf a well is
7	drilled at a location where coal has been removed from one or
8	more coal seams, the well shall be drilled and cased to prevent
9	migration of gas or fluids into the seam from which coal has
10	been removed, in a manner prescribed by regulation of the
11	department. The department and the coal operator, owner or
12	lessee shall be given at least 72 hours' notice prior to
13	commencement of work protecting the mine.
14	(d) Procedure when coal has not been removedIf a well is
15	drilled at a location where the coal seam has not been removed,
16	the well shall be drilled to a depth and of a size sufficient to
17	permit placement of casing, packers in and vents on the hole at
18	the points and in the manner prescribed by regulation to exclude
19	gas or fluids from the coal seam, except gas or fluids found
20	naturally in the seam itself, and to enable monitoring the
21	integrity of the production casing.
22	<u>§ 3218. Protection of water supplies.</u>
23	(a) General ruleIn addition to the requirements of
24	subsection (c.1), a well operator who affects a public or
25	private water supply by pollution or diminution shall restore or
26	replace the affected supply with an alternate source of water
27	adequate in quantity <del>or</del> AND quality for the purposes served by
28	the supply. The department shall ensure the restored or replaced
29	water supply meets the applicable water quality standards
30	consistent with the Safe Drinking Water Act (Public Law 93-523,
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1	21 U.S.C. § 349 and 42 U.S.C. §§ 201 and 300f et seq.), the act
2	of May 1, 1984 (P.L.206, No.43), known as the Pennsylvania Safe
3	Drinking Water Act, and OR predrilling or alteration water
4	quantity standards as determined by the department. The
5	Environmental Quality Board shall promulgate regulations
6	necessary to meet the requirements of this subsection.
7	(b) Pollution or diminution of water supplyA landowner or
8	water purveyor suffering pollution or diminution of a water
9	supply as a result of the drilling, alteration or operation of
10	an oil or gas well may so notify the department and request that
11	an investigation be conducted. Within ten days of notification,
12	the department shall investigate the claim and make a
13	determination within 45 days following notification. If the
14	department finds that the pollution or diminution was caused by
15	drilling, alteration or operation activities or if it presumes
16	the well operator responsible for pollution under subsection
17	(c), the department shall issue orders to the well operator
18	necessary to assure compliance with subsection (a), including
19	orders requiring temporary replacement of a water supply where
20	it is determined that pollution or diminution may be of limited
21	duration.
22	(b.1) Toll-free telephone numberThe department shall
23	establish a single Statewide toll-free telephone number that
24	persons may use to report cases of water contamination. The
25	Statewide toll-free telephone number shall be provided in a
26	conspicuous manner in the notification required under section
27	3211(b.1) (relating to well permits) and, SHALL BE POSTED IN A
28	CONSPICUOUS PLACE AT THE DRILLING SITE AND SHALL BE POSTED on
29	the department's Internet website.
30	(b.2) Responses to callsThe department shall develop

1	appropriate administrative responses to calls received on the	
2	Statewide toll-free telephone number for water contamination.	
3	(c) PresumptionUnless rebutted by a defense established	
4	in subsection (d), it shall be presumed that a well operator is	
5	responsible for pollution of a water supply that is within 1,000	
6	feet, or in the case of an unconventional well within 3,000 feet	
7	FROM THE VERTICAL WELL BORE, of an oil or gas well, if pollution	•
8	occurred within <del>12</del> SIX MONTHS, OR IN THE CASE OF AN	•
9	UNCONVENTIONAL WELL WITHIN 12 months, after stimulation or	•
10	alteration of the UNCONVENTIONAL well.	•
11	(c.1) RequirementIf the affected water supply is within	
12	the rebuttable presumption area as provided in subsection (c)	
13	and the rebuttable presumption applies and the water user is	
14	without a readily available alternative source of water, the	
15	operator shall provide a temporary water supply IF THE WATER	
16	USER IS WITHOUT A READILY AVAILABLE ALTERNATIVE SOURCE OF WATER.	
17	The temporary water supply provided under this subsection shall	
18	be adequate in quantity and quality for the purposes served by	
19	the supply.	
20	(d) DefensesTo rebut the presumption established under	
21	subsection (c), a well operator must affirmatively prove any of	
22	the following:	
23	(1) The pollution existed prior to the drilling,	
24	stimulation or alteration activities as determined by a	
25	predrilling or prealteration survey.	
26	(2) The landowner or water purveyor refused to allow the	
27	<u>operator access to conduct a predrilling or prealteration</u>	
28	survey.	
29	(3) The water supply is not within 1,000 feet, or in the	
30	case of an unconventional well within 3,000 feet, of the well $\leftarrow$	

1	VERTICAL WELL BORE.
2	(4) The pollution occurred more than 12 months MORE THAN
3	SIX MONTHS, OR IN THE CASE OF AN UNCONVENTIONAL WELL MORE
4	THAN 12 MONTHS after drilling, stimulation or alteration
5	activities.
6	(5) The pollution occurred as the result of a cause
7	other than the drilling, stimulation or alteration activity.
8	(e) Independent certified laboratoryAn operator electing
9	to preserve a defense under subsection (d)(1) or (2) shall
10	retain an independent certified laboratory to conduct a
11	predrilling or prealteration survey of the water supply. A copy
12	of survey results shall be submitted to the department and the
13	landowner or water purveyor in the manner prescribed by the
14	<u>department.</u>
15	(f) Other remedies preservedNothing in this section shall
16	prevent a landowner or water purveyor claiming pollution or
17	diminution of a water supply from seeking any other remedy at
18	<u>law or in equity.</u>
19	(g) Facility operation qualificationsThe department shall
20	ensure that a facility which seeks a National Pollutant
21	Discharge Elimination System permit for the purposes of treating
22	and discharging wastewater originating from oil and gas
23	activities into waters of this Commonwealth is operated by a
24	competent and qualified individual.
25	<u>§ 3218.1. Containment for unconventional wells.</u>
26	(a) SitesUnconventional well pad sites shall be designed
27	and constructed to prevent spills to the ground surface or
28	spills off the well pad area. Containment practices shall meet
29	all of the following:
30	(1) Be instituted on the pad during both drilling and

1	hydraulic fracturing operations.
2	(2) Be sufficiently impervious and able to contain
3	spilled material or waste until it can be removed or treated.
4	(3) Be compatible with the waste material or waste
5	stored or used within the containment.
6	(b) PlanThe applicant shall submit a plan to the
7	department describing the containment practices to be utilized
8	and the area of the well pad where containment systems will be
9	employed. The plan shall include a description of the equipment
10	to be kept onsite during drilling and hydraulic fracturing
11	operations to prevent a spill from leaving the well pad.
12	(c) Materials storedContainment systems shall be used
13	wherever any of the following are stored:
14	(1) Drilling mud.
15	<u>(2) Hydraulic oil.</u>
16	<u>(3) Diesel fuel.</u>
17	(4) Drilling mud additives.
18	(5) Hydraulic fracturing additives.
19	(6) Hydraulic fracturing flowback.
20	(d) CapacityAreas where any additives, chemicals, oils or
21	fuels are to be stored must have sufficient containment capacity
22	to hold the volume of the largest container stored in the area
23	plus 10% to allow for precipitation, unless the container is
24	equipped with individual secondary containment.
25	§ 3218.2. Transportation records regarding wastewater fluids.
26	(a) RequirementsA well operator that transports
27	wastewater fluids shall do all of the following:
28	(1) Maintain records for five years, in accordance with
29	regulations under subsection (b) and on a form approved by
30	the department, of the amount and destination of the fluids

1 <u>transported</u>.

2	(2) Make the records available to the department upon
3	<u>request.</u>
4	(b) RecordkeepingRecordkeeping requirements shall be
5	determined by the department and shall include the following:
6	(1) The number of gallons of wastewater fluids produced
7	in the drilling, stimulation or alteration of a well.
8	(2) Upon completion of the well, the name of the person
9	or company that transported the wastewater fluids to a
10	disposal site or to a location other than the well site.
11	(3) Each location where wastewater fluids were disposed
12	of or transported and the volumes that were disposed of at
13	the location.
14	(4) The method of disposal.
15	<u>§ 3218.3. Emergency response information.</u>
16	The Pennsylvania Emergency Management Agency and the
17	department shall adopt emergency regulations directing REQUIRE
18	the operators of all unconventional wells to do all of the
19	<u>following:</u>
20	(1) Adopt a unique GPS coordinate address for each
21	unconventional well at both the access road entrance and well
22	pad site.
23	(2) Register that address with the agency, the
24	department and the county emergency management organization
25	within the county where the unconventional well is located.
26	(3) Require the development of an emergency response
27	plan and file that plan with the agency, the department and
28	the county emergency management organization with
29	jurisdiction over the unconventional well. The county shall
30	disseminate the GPS address and emergency response plan to

1	the local emergency management organization in which the
2	unconventional well is located.
3	(4) Post a reflective sign at the entrance to each well
4	site with the specific address of that site, the coordinates
5	for the site, the emergency contact number for the operator
6	and any other information as the agency or the department
7	deems necessary.
8	§ 3218.4. NOTIFICATION TO PUBLIC DRINKING WATER SYSTEMS.
9	UPON RECEIVING NOTIFICATION OF SPILL THE DEPARTMENT SHALL,
10	AFTER INVESTIGATING THE INCIDENT, NOTIFY ANY PUBLIC DRINKING
11	WATER FACILITY THAT COULD BE AFFECTED BY THE EVENT THAT THE
12	EVENT OCCURRED. THE NOTIFICATION SHALL CONTAIN A BRIEF
13	DESCRIPTION OF THE EVENT AND ANY EXPECTED IMPACT ON WATER
14	QUALITY.
15	§ 3218.5. CORROSION CONTROL REQUIREMENTS.
16	THE FOLLOWING SHALL APPLY TO CORROSION CONTROL REQUIREMENTS:
17	(1) ALL BURIED METALLIC STRUCTURES ASSOCIATED WITH GAS
18	WELLS INCLUDING PIPELINES, WELL CASINGS AND UNDERGROUND TANKS
19	MUST HAVE CORROSION PROTECTION MEASURES DESIGNED TO PROTECT
20	THE PIPELINE INSTALLED AND PLACED IN OPERATION IN ACCORDANCE
21	WITH REGULATIONS PROMULGATED BY THE ENVIRONMENTAL QUALITY
22	BOARD.
23	(2) PERMANENT ABOVEGROUND AND UNDERGROUND TANKS MUST
24	COMPLY WITH THE APPLICABLE CORROSION CONTROL REQUIREMENTS IN
25	THE DEPARTMENT'S REGULATIONS.
26	(3) THE CORROSION CONTROL PROCEDURES UNDER PARAGRAPHS
27	(1) AND (2) MUST BE CARRIED OUT BY OR UNDER THE DIRECTION OF
28	A PERSON QUALIFIED IN CORROSION METHODS.
29	(4) AN OPERATOR OF A NEW, REPLACED, RELOCATED OR
30	OTHERWISE CHANGED LINE MUST BE IN COMPLIANCE WITH THE

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1	APPLICABLE REQUIREMENTS OF THIS SECTION BY THE DATE THE LINE
2	<u>GOES INTO SERVICE.</u>
3	<u>§ 3218.6. GATHERING LINES.</u>
4	(A) REQUIREMENT OWNERS AND OPERATORS OF GATHERING LINES
5	SHALL COMPLY WITH SECTION 2(5)(I.1) OF THE ACT OF DECEMBER 10,
6	1974 (P.L.852, NO.287), REFERRED TO AS THE UNDERGROUND UTILITY
7	LINE PROTECTION LAW.
8	(B) DEFINITIONAS USED IN THIS SECTION, THE TERM
9	"GATHERING LINES" MEANS A PIPELINE USED TO TRANSPORT NATURAL GAS
10	FROM A PRODUCTION FACILITY TO A TRANSMISSION LINE OR MAIN.
11	<u>§ 3219. Use of safety devices.</u>
12	Any person engaged in drilling an oil or gas well shall equip
13	it with casings of sufficient strength, and other safety devices
14	as are necessary, in the manner prescribed by regulation of the
15	department, and shall use every effort and endeavor effectively
16	to prevent blowouts, explosions and fires.
17	<u>§ 3220. Plugging requirements.</u>
18	(a) General ruleUpon abandoning a well, the owner or
19	operator shall plug it in the manner prescribed by regulation of
20	the department to stop vertical flow of fluids or gas within the
21	well bore, unless the department has granted inactive status for
22	the well or it has been approved by the department as an orphan
23	well. If the department determines that a prior owner or
24	operator received economic benefit, other than economic benefit
25	derived only as a landowner or from a royalty interest, after
26	April 18, 1979, from an orphan well or an unregistered well, the
27	owner or operator shall be responsible for plugging the well. In
28	the case of a gas well penetrating a workable coal seam which
29	was drilled prior to January 30, 1956, or which was permitted
30	after that date but not plugged in accordance with this chapter,

if the owner or operator or a coal operator or an agent proposes 1 2 to plug the well to allow mining through of it, the gas well 3 shall be cleaned to a depth of at least 200 feet below the coal seam through which mining is proposed and, unless impracticable, 4 to a point 200 feet below the deepest mineable coal seam. The 5 gas well shall be plugged from that depth in accordance with 6 7 section 13 of the act of December 18, 1984 (P.L.1069, No.214), 8 known as the Coal and Gas Resource Coordination Act, and the 9 regulations of the department. 10 (b) Areas underlain by coal. -- Prior to the plugging and abandonment of a well in an area underlain by a workable coal 11 seam, the well operator or owner shall notify the department and 12 13 the coal operator, lessee or owner and submit a plat, on a form 14 to be furnished by the department, showing the location of the well and fixing the date and time plugging will commence, which 15 16 shall be not less than three working days, nor more than 30 days, after the notice is received, to permit representatives of 17 18 the persons notified to be present at the plugging. Notice and 19 the right to be present may be waived by the department and the coal operator, lessee or owner, but waiver by coal operator, 20 lessee or owner shall be in writing and a copy shall be attached 21 to the notice of abandonment filed with the department under 22 23 this section. Whether or not representatives attend, if the well 24 operator has fully complied with this section, the well operator may proceed, at the time fixed, to plug the well in the manner 25 26 prescribed by regulation of the department. When plugging has 27 been completed, a certificate shall be prepared and signed, on a 28 form to be furnished by the department, by two experienced and 29 qualified people who participated in the work setting forth the time and manner in which the well was plugged. One copy of the 30

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

1	which the well was plugged. A copy of the certificate shall be
2	mailed to the department.
3	(d) Wells abandoned upon completion of drillingIf a well
4	is to be abandoned immediately after completion of drilling, the
5	well operator shall give at least 24 hours' notice by telephone,
6	confirmed by certified mail, to the department and to the coal
7	operator, lessee or owner, if any, fixing the date and time when
8	plugging will commence. Notice and the right to be present may
9	be waived by the department and the coal operator, lessee or
10	owner, if any. Whether or not representatives of the department
11	or coal operator, lessee or owner, if any, attend, if the well
12	operator has fully complied with the requirements of this
13	section, the well operator may proceed, at the time fixed, to
14	plug the well in the manner provided by regulation of the
15	department. The well operator shall prepare the certificate of
16	plugging and mail copies of the same as provided in subsection
17	<u>(b)</u>
18	<u>(e) Orphan wellsIf a well is an orphan well or abandoned</u>
19	without plugging, or if a well is in operation but not
20	registered under section 3213 (relating to well registration and
21	identification), the department may enter upon the well site and
22	plug the well and <del>to</del> sell equipment, casing and pipe at the site <b>+</b>
23	which may have been used in production of the well in order to
24	recover the costs of plugging. The department shall make an
25	effort to determine ownership of a well which is in operation
26	but has not been registered and provide written notice to the
27	owner of pending action under this subsection. If the department
28	cannot determine ownership within 30 days, it may proceed under
29	this subsection. Costs of plugging shall have priority over all
30	liens on equipment, casing and pipe, and the sale shall be free

1	and clear of those liens to the extent that the cost of plugging
2	exceeds the sale price. If the amount obtained for casing and
3	pipe salvaged at the site is inadequate to pay for plugging, the
4	owner or operator of the abandoned or unregistered well shall be
5	liable for the additional costs.
6	(f) DefinitionFor purposes of this section, the term
7	"owner" does not include the owner or possessor of surface real
8	property, on which an abandoned well is located, who did not
9	participate or incur costs in and had no right of control over
10	the drilling or extraction operation of the abandoned well.
11	§ 3221. Alternative methods.
12	<u>A well operator may request permission to use a method or</u>
13	material other than those required by this chapter for casing,
14	plugging or equipping a well in an application to the department
15	which describes the proposed alternative in reasonable detail
16	and indicates the manner in which it will accomplish the goals
17	of this chapter. Notice of filing of the application shall be
18	given by the well operator by certified mail to any affected
19	coal operators, who may, within 15 days after the notice, file
20	objections to the proposed alternative method or material. If no
21	timely objections are filed or raised by the department, the
22	department shall determine whether to allow use of the proposed
23	alternative method or material.
24	<u>§ 3222. Well reporting requirements.</u>
25	(a) General ruleExcept as provided in subsection (a.1),
26	each well operator shall file with the department, on a form
27	provided by the department, an annual report specifying the
28	amount of production, on the most well-specific basis available,
29	along with the status of each well, except that in subsequent
30	years only changes in status must be reported. The Commonwealth
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1	may utilize reported information in enforcement proceedings, in
2	making designations or determinations under section 1927-A of
3	the act of April 9, 1929 (P.L.177, No.175), known as The
4	Administrative Code of 1929, or in aggregate form for
5	statistical purposes.
6	(a.1) Unconventional wellsEach operator of a well which
7	produces gas from an unconventional well shall file with the
8	department, on a form provided by the department, a semiannual
9	report specifying the amount of production on the most well-
10	specific basis available. The initial report under this
11	subsection shall be filed on or before August 15, 2010, and
12	shall include production data from the preceding calendar year
13	and specify the status of each well. In subsequent reports, only
14	changes in status must be reported. Subsequent semiannual
15	reports shall be filed with the department on or before February
16	15 and August 15 of each year and shall include production data
17	from the preceding reporting period. The Commonwealth may
18	utilize reported information in enforcement proceedings, in
19	making designations or determinations under section 1927-A of
20	The Administrative Code of 1929 or in aggregate form for
21	statistical purposes. Beginning November 1, 2010, the department
22	shall make the reports available on its publicly accessible
23	Internet website. Costs incurred by the department to comply
24	with the requirements of this subsection shall be paid out of
25	the fees collected under section 3211(d) (relating to well_
26	permits).
27	(b) Collection of dataWell operators shall maintain a
28	record of each well drilled or altered. A record containing the
29	information required by the department, including the
30	information required under subsection (b.1), shall be filed
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1	within 30 days after stimulation of the well. A completion
2	report containing any additional required information shall be
3	filed within 30 days after the stimulation of the well and shall
4	be kept on file by the department. Upon request of the
5	department, the well operator shall, within 90 days of
6	completion or recompletion of drilling, submit a copy of any
7	electrical, radioactive or other standard industry logs which
8	have been run and, upon request by the department within one
9	year, a copy of drill stem test charts, formation water
10	analysis, porosity, permeability or fluid saturation
11	measurements, core analysis and lithologic log or sample
12	description or other similar data as compiled. No information
13	shall be required unless the well operator had it compiled in
14	the ordinary course of business, and interpretation of data is
15	not required to be filed.
16	(b.1) Report contentsThe completion report shall contain
17	the operator's stimulation record which shall include the
18	following:
19	(1) A descriptive list of the chemical additives in the
20	stimulation fluids, including any acid, biocide, breaker,
21	brine, corrosion inhibitor, crosslinker, demulsifier,
22	friction reducer, get, iron control, oxygen scavenger, pH
23	adjusting agent, proppant, scale inhibitor and surfactant.
24	(2) The percent by volume of each chemical additive in
25	the stimulation fluid.
26	(3) A list of the chemicals in the material safety data
27	sheets, by name and chemical abstract service number,
28	corresponding to the appropriate chemical additive.
29	(4) The percent by volume of each chemical list in the
30	material safety data sheets.

1	(5) The total volume of the base fluid.
2	(6) A list of water sources used under the approved
3	water management plan and the volume of water used.
4	(7) The pump rates and pressure used in the well.
5	(8) The total volume of recycled water used.
6	(b.2) Trade secret or confidential proprietary
7	informationWhen an operator submits its stimulation record
8	under subsection (b.1), it may designate specific portions of
9	the stimulation record as containing a trade secret or
10	confidential proprietary information. The department shall
11	prevent disclosure of the designated confidential information to
12	the extent permitted by the act of February 14, 2008 (P.L.6,
13	No.3), known as the Right-to-Know Law, or other Federal or State
14	law.
15	(b.3) List of the chemical constituentsIn addition to
16	submitting a stimulation record to the department under
17	subsection (b.1) and subject to the protections afforded for
18	trade secrets and confidential proprietary information under the
19	Right-to-Know Law, the operator shall ARRANGE TO provide a list
20	of the chemical constituents of the chemical additives used to
21	hydraulically fracture a well, by name and chemical abstract
22	service number, unless the additive does not have a number, to
23	the department upon written request of the department.
24	(c) Drill cuttings and core samplesUpon notification by
25	the department prior to commencement of drilling, the well
26	operator shall collect any additional data specified by the
27	department, including representative drill cuttings and samples
28	from cores taken and any other geological information that the
29	operator reasonably can compile. Interpretation of the data is
30	not required to be filed.

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1	(d) Retention of dataData required under subsection (b)
2	and drill cuttings required under subsection (c) shall be
3	retained by the well operator and filed with the department no
4	more than three years after completion of the well. Upon
5	request, the department shall extend the deadline up to five
6	years from the date of completion of the well. The department
7	shall be entitled to utilize information collected under this
8	subsection in enforcement proceedings, in making designations or
9	determinations under section 1927-A of The Administrative Code
10	of 1929 and in aggregate form for statistical purposes.
11	§ 3223. Notification and effect of well transfer.
12	The owner or operator of a well shall notify the department
13	in writing within 30 days, in a form directed by regulation, of
14	sale, assignment, transfer, conveyance or exchange by or to the
15	owner of the well. A transfer shall not relieve the well owner
16	or operator of an obligation accrued under this chapter, nor
17	shall it relieve the owner or operator of an obligation to plug
18	the well until the requirements of section 3225 (relating to
19	bonding) have been met, at which time the transferring owner or
20	operator shall be relieved from all obligations under this
21	chapter, including the obligation to plug the well.
22	<u>§ 3224. Coal operator responsibilities.</u>
23	(a) General ruleAt any time prior to removing coal or
24	other underground materials from, or extending the workings in,
25	<u>a coal mine within 500 feet of an oil or gas well of which the</u>
26	coal operator has knowledge, or within 500 feet of an approved
27	well location of which the coal operator has knowledge, the coal
28	operator, by certified mail, shall forward to or file with the
29	well operator and the department a copy of the relevant part of
30	all maps and plans which it is presently required by law to

1	prepare and file with the department, showing the pillar which
2	the coal operator proposes to leave in place around each oil or
3	gas well in the projected workings. Thereafter, the coal
4	operator may proceed with mining operations in the manner
5	projected on the maps and plans, but the operator may not remove
6	<u>coal or cut a passageway within 150 feet of the well or approved</u>
7	well location without written approval under this section. If,
8	in the opinion of the well operator or the department, the plan
9	indicates that the proposed pillar is inadequate to protect
10	either the integrity of the well or public health and safety,
11	the affected well operator shall attempt to reach an agreement
12	with the coal operator on a suitable pillar, subject to approval
13	of the department. Upon failure to agree, the well operator may,
14	within ten days after receipt of the proposed plan under this
15	section, file objections under section 3251 (relating to
16	conferences), indicating the size of the pillar to be left as to
17	each well. If objections are not timely filed and the department
18	has none, the department shall grant approval, reciting that
19	maps and plans have been filed, no objections have been made
20	thereto and the pillar proposed to be left for each well is
21	approved in the manner as projected.
22	(b) ObjectionsIf an objection is filed by the well
23	operator or raised by the department, the department shall order
24	that a conference be held under section 3251 within ten days of
25	the filing of objections. At the conference, the coal operator
26	and the person who has objected shall attempt to agree on a
27	proposed plan, showing the pillar to be left around each well,
28	which will satisfy the objections and receive department
29	approval. If an agreement is reached, the department shall grant
30	approval to the coal operator, reciting that a plan has been

1	filed and the pillar to be left for each well is approved
2	pursuant to the agreement. If an agreement is not reached on a
3	plan showing the pillar to be left with respect to a well, the
4	department, by appropriate order, shall determine the pillar to
5	be left with respect to the well. In a proceeding under this
6	section, the department shall follow as nearly as is possible
7	the original plan filed by the coal operator. The department
8	shall not require the coal operator to leave a pillar in excess
9	of 100 feet in radius, except that the department may require a
10	pillar of up to 150 feet in radius if the existence of unusual
11	conditions is established. Pillars determined by the department
12	shall be shown on maps or plans on file with the department as
13	provided in subsection (a) and the department shall approve the
14	pillar to be left for each well.
15	(c) Pillars of reduced sizeApplication may be made at any
16	time to the department by the coal operator to leave a pillar of
17	a size smaller than shown on the plan approved or determined by
18	the department under this section. If an application is filed,
19	the department shall:
20	(1) follow the appropriate procedure under subsection
21	<u>(a) or (b);</u>
22	(2) by appropriate order, determine a plan involving a
23	pillar of a smaller size as to any well covered by the
24	application; and
25	(3) grant approval for the pillar to be left with
26	respect to each well.
27	(d) ViolationNo coal operator, without written approval
28	of the department after notice and opportunity for a hearing
29	under this section, shall remove coal or cut a passageway so as
30	to leave a pillar of smaller size, with respect to an oil or gas
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1	well, than that approved by the department under this chapter.
2	(e) LimitationWith regard to a coal pillar required by
3	law to be left around a well drilled prior to April 18, 1985,
4	nothing in this chapter shall be construed to:
5	(1) require a well operator to pay for the coal pillar;
6	(2) affect a right which a coal operator may have had
7	prior to April 18, 1985, to obtain payment for the coal
8	pillar; or
9	(3) affect a duty or right which a storage operator or
10	landowner may have had prior to April 18, 1985, to pay or not
11	pay for the coal pillar.
12	(f) Mining through plugged wellsA coal operator who
13	intends to mine through a plugged oil or gas well or otherwise
14	completely remove any pillar from around that well shall file a
15	plan under subsection (a) which shall be subject to all of the
16	provisions of this section. No coal operator may mine through a
17	plugged oil or gas well of which he has knowledge until written
18	approval has been granted by the department in accordance with
19	this section. The Bureau of Deep Mine Safety in the department
20	shall have the authority to establish conditions under which the
21	<u>department may approve a coal operator's plan to mine through a</u>
22	plugged oil or gas well.
23	<u>§ 3225. Bonding.</u>
24	(a) General ruleThe following shall apply:
25	(1) Except as provided in subsection (d), upon filing an
26	application for a well permit, and before continuing to
27	operate an oil or gas well, the owner or operator of the well
28	shall file with the department a bond covering the well and
29	well site on a form to be prescribed and furnished by the
30	department. A bond filed with an application for a well

1	permit shall be payable to the Commonwealth and conditioned
2	upon the operator's faithful performance of all drilling,
3	water supply replacement, restoration and plugging
4	requirements of this chapter. A bond for a well in existence
5	on April 18, 1985, shall be payable to the Commonwealth and
6	conditioned upon the operator's faithful performance of all
7	water supply replacement, restoration and plugging
8	requirements of this chapter. The amount of the bond required
9	shall be in the following amounts and shall be adjusted by
10	the Environmental Quality Board every three years to reflect
11	the projected costs to the Commonwealth of plugging the well:
12	(i) For a well which is less than 6,000 feet in
13	depth and which is permitted prior to the effective date
14	of this section, \$2,500. The operator shall not be
15	required to provide a bond under this paragraph which
16	exceeds \$25,000. The bond amount may be adjusted by the
17	Environmental Quality Board every two years to reflect
18	the projected costs to the Commonwealth of performing
19	well plugging.
20	(ii) For a well which is less than 6,000 feet in
21	bore length and which is permitted after the effective
22	date of this section, \$3,500. The operator shall not be
23	required to provide a bond under this paragraph which
24	<u>exceeds \$40,000.</u>
25	(iii) For wells with a total well bore length
26	greater than 6,000 feet:
27	(A) For operating up to 25 wells, \$10,000 per
28	well, provided the operator may not be required to
29	provide a bond under this section exceeding \$120,000
30	<u>\$140,000.</u>

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1	(B) For operating 26 to 50 wells, \$120,000
2	\$140,000 plus \$10,000 per well for each well in
3	excess of 25 wells, provided the operator may not be
4	required to provide a bond under this section
5	exceeding <del>\$240,000</del> \$290,000.
6	(C) For operating 51 to 150 wells, <del>\$240,000</del>
7	\$290,000 plus \$10,000 per well for each well in
8	excess of 50 wells, provided the operator may not be
9	required to provide a bond under this section
10	exceeding <del>\$360,000</del> \$430,000.
11	(D) For operating more than 150 wells, <del>\$360,000</del>
12	\$430,000 plus \$10,000 per well for each well in
13	excess of 150 wells, provided the operator may not be
14	required to provide a bond under this section
15	exceeding <del>\$500,000</del> \$600,000.
16	(2) In lieu of individual bonds for each well, an owner
17	or operator may file a blanket bond, for the appropriate
18	amount as indicated under paragraph (1), on a form prepared
19	by the dependence covering all of its valle in this
19	by the department, covering all of its wells in this
20	Commonwealth, as enumerated on the bond form.
20	Commonwealth, as enumerated on the bond form.
20 21	<u>Commonwealth, as enumerated on the bond form.</u> (3) Liability under the bond shall continue until the
20 21 22	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
20 21 22 23	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
20 21 22 23 24	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
20 21 22 23 24 25	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
20 21 22 23 24 25 26	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
20 21 22 23 24 25 26 27	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

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1	renewable irrevocable letters of credit, from financial
2	institutions chartered or authorized to do business in
3	this Commonwealth and regulated and examined by the
4	Commonwealth or a Federal agency, which may be terminated
5	at the end of a term only upon 90 days' prior written
6	notice by the financial institution to the permittee and
7	the department;
8	(iii) negotiable bonds of the United States
9	Government or the Commonwealth, the Pennsylvania Turnpike
10	Commission, the State Public School Building Authority or
11	any municipality within the Commonwealth; or
12	(iv) United States Treasury Bonds issued at a
13	<u>discount without a regular schedule of interest payments</u>
14	to maturity, otherwise known as Zero Coupon Bonds, having
15	a maturity date of not more than ten years after the date
16	of purchase and at the maturity date having a value under
17	paragraph (1). The cash deposit, certificate of deposit,
18	amount of the irrevocable letter of credit or market
19	value of the securities shall be equal at least to the
20	sum of the bond.
21	(4) The secretary shall, upon receipt of a deposit of
22	cash, letters of credit or negotiable bonds, immediately
23	place the same with the State Treasurer, whose duty it shall
24	be to receive and hold the same in the name of the
25	Commonwealth, in trust, for the purpose for which the deposit
26	is made.
27	(5) The State Treasurer shall at all times be
28	responsible for custody and safekeeping of deposits. The
29	operator making the deposit shall be entitled from time to
30	time to demand and receive from the State Treasurer, on the

1	written order of the secretary, the whole or any portion of
2	collateral deposited, upon depositing with the State
3	Treasurer, in lieu of that collateral, other collateral of
4	classes specified in this section having a market value at
5	least equal to the sum of the bond, and also to demand,
6	receive and recover the interest and income from the
7	negotiable bonds as they become due and payable.
8	(6) If negotiable bonds on deposit under this subsection
9	mature or are called, the State Treasurer, at the request of
10	the owner of the bonds, shall convert them into other
11	negotiable bonds, of classes specified in this section,
12	designated by the owner.
13	(7) If notice of intent to terminate a letter of credit
14	is given, the department shall give the operator 30 days'
15	written notice to replace the letter of credit with other
16	acceptable bond guarantees as provided in this section. If
17	the owner or operator fails to timely replace the letter of
18	credit, the department shall draw upon and convert the letter
19	of credit into cash and hold it as a collateral bond
20	<u>guarantee.</u>
21	(b) ReleaseNo bond shall be fully released until the
22	requirements of subsection (a) and section 3223 (relating to
23	notification and effect of well transfer) have been fully met.
24	Upon release of bonds and collateral under this section, the
25	State Treasurer shall immediately return to the owner the
26	specified amount of cash or securities.
27	(c) NoncomplianceIf a well owner or operator fails or
28	refuses to comply with subsection (a), regulations promulgated
29	under this chapter or conditions of a permit relating to this
30	chapter, the department may declare the bond forfeited and shall

1	certify the same to the Attorney General, who shall proceed to
2	enforce and collect the full amount of the bond and, if the well
3	owner or operator has deposited cash or securities as collateral
4	in lieu of a corporate surety, the department shall declare the
5	collateral forfeited and direct the State Treasurer to pay the
6	full amount of the funds into the Well Plugging Restricted
7	Revenue Account or to sell the security to the extent forfeited
8	and pay the proceeds into the Well Plugging Restricted Revenue
9	Account. If a corporate surety or financial institution fails to
10	pay a forfeited bond promptly and in full, the corporate surety
11	or financial institution shall be disqualified from writing
12	further bonds under this chapter or any other environmental law
13	administered by the department. A person aggrieved by reason of
14	forfeiting the bond or converting collateral, as provided in
15	this section, shall have a right to appeal to the Environmental
16	Hearing Board in the manner provided by law. Upon forfeiture of
17	a blanket bond for a violation occurring at one or more well_
18	sites, the person whose bond is forfeited shall, within ten days
19	of the forfeiture, submit a replacement bond to cover all other
20	wells of which the person is an owner or operator. Failure to
21	submit the replacement bond constitutes a violation of this
22	section as to each of the wells owned or operated by the person.
23	(d) Alternatives to certain bondsThe following shall
24	apply:
25	(1) An operator of not more than 200 wells that cannot
26	obtain a bond for a well drilled prior to April 18, 1985, as
27	required under subsection (a), due to inability to
28	demonstrate sufficient financial resources may, in lieu of
29	the bond:
30	(i) Submit to the department a fee in the amount of

1	<u>\$50 per well, a blanket fee of \$500 for ten to 20 wells</u>
2	or a blanket fee of \$1,000 for more than 20 wells, which
3	shall be a nonrefundable fee paid each year that the
4	operator has not filed a bond with the department. All
5	fees collected in lieu of a bond under this subsection
6	shall be used for the purposes authorized by this
7	chapter. The Environmental Quality Board shall have the
8	power, by regulation, to increase the amount of the fees
9	established under this subsection.
10	(ii) Make phased deposits of collateral to fully
11	collateralize the bond, subject to the following:
12	(A) Payment shall be based on the number of
13	wells owned or operated. The operator shall make an
14	initial deposit and make annual deposits in
15	accordance with the schedule in clause (B). Interest
16	accumulated by the collateral shall become a part of
17	the bond until the collateral plus accumulated
18	interest equals the amount of the required bond. The
19	collateral shall be deposited, in trust, with the
20	State Treasurer as provided in this subsection or
21	with a bank selected by the department which shall
22	act as trustee for the benefit of the Commonwealth to
23	guarantee the operator's compliance with the
24	drilling, water supply replacement, restoration and
25	plugging requirements of this chapter. The operator
26	shall be required to pay all costs of the trust.
27	(B) An operator of up to ten existing wells that
28	does not intend to operate additional wells shall
29	deposit \$250 per well and shall, thereafter, annually
30	deposit \$50 per well until the obligations of this

1	section are fully met. An operator of 11 to 25 wells
2	or an operator of up to ten wells that applies for
3	one or more permits for additional wells shall
4	deposit \$2,000 and shall, thereafter, annually
5	<u>deposit \$1,150 plus \$150 for each additional well to</u>
6	be permitted that year until the obligations of this
7	section are fully met. An operator of 26 to 50 wells
8	shall deposit \$3,000 and shall, thereafter, annually
9	<u>deposit \$1,300 plus \$400 for each additional well to</u>
10	be permitted that year until the obligations of this
11	section are fully met. An operator of 51 to 100 wells
12	shall deposit \$4,000 and shall, thereafter, annually
13	<u>deposit \$1,500 plus \$400 for each additional well to</u>
14	be permitted that year until the obligations of this
15	section are fully met. Operators of 101 to 200 wells
16	shall deposit \$8,000 and shall, thereafter, annually
17	deposit \$1,600 plus \$1,000 for each additional well
18	to be permitted that year until the obligations of
19	this section are fully met. Operators of more than
20	200 wells shall fully bond their wells immediately.
21	(C) The department shall reduce the amount of
22	phased collateral payments or the period of time over
23	which phased collateral payments shall be made on
24	behalf of owners or operators that, prior to August
25	3, 1992, have paid a fee in lieu of bond under
26	subparagraph (i), and that, by August 3, 1993, chose
27	to enter the phased collateral program under this
28	subparagraph rather than continue to make payments in
29	lieu of bond. Payments made prior to August 3, 1992,
30	in lieu of bond shall not be credited in any other

1	manner, and the department shall not be required to
2	refund the fees. The Environmental Quality Board, by
3	regulation, may change the annual deposits
4	established under clause (B) if necessary to
5	accommodate a change in the amount of the bond
6	required under this section.
7	(2) An operator may continue to pay a fee in lieu of
8	bond or make phased deposits of collateral to fully
9	collateralize the bond so long as the operator does not miss
10	a payment under this subsection and remains in compliance
11	with this chapter. If an operator misses a payment under this
12	subsection, the operator shall immediately:
13	(i) IMMEDIATELY submit the appropriate bond amount
14	<u>in full; or</u>
15	(ii) cease all operations and plug all wells.
16	(d.1) IndividualsThe following shall apply:
17	(1) An individual who is unable to obtain a bond to
18	drill new wells due to inability to demonstrate financial
19	resources may meet the collateral bond requirements of
20	subsection (a) by making phased deposits of collateral to
21	fully collateralize the bond. The individual shall be limited
22	to drilling ten new wells per calendar year and, for each
23	well to be drilled, deposit \$500 and make an annual deposit
24	of 10% of the remaining bond amount for a period of ten
25	years. Interest accumulated shall become a part of the bond
26	until the collateral plus accumulated interest equal the
27	amount of the required bond. The collateral shall be
28	deposited in trust with the State Treasurer under subsection
29	(a) or with a bank selected by the department which shall act
30	as trustee for the benefit of the Commonwealth to guarantee

1	the individual's compliance with the drilling, water supply
2	replacement, restoration and plugging requirements of this
3	chapter. The individual shall pay all costs of the trust.
4	(2) Individuals may continue to use phased collateral to
5	obtain permits if they have not missed a payment for a well
6	drilled under this provision and remain in compliance with
7	this chapter. If an individual misses a payment, the
8	individual shall:
9	(i) immediately submit the appropriate bond amount
10	<u>in full; or</u>
11	(ii) cease all operations and plug all wells.
12	(3) For purposes of this subsection, an "individual"
13	<u>means a natural person doing business under his own name.</u>
14	(e) Reservation of remediesAll remedies violating FOR
15	VIOLATIONS OF this chapter, regulations adopted under this
16	chapter and conditions of permits are expressly preserved.
17	Nothing in this section shall be construed as an exclusive
18	penalty or remedy for violations of law. No action taken under
19	this section shall waive or impair any other remedy or penalty
20	provided in law.
21	(f) Change of lawOwners or operators that have failed to
22	meet the requirements of this section shall not be required to
23	make payments under this section on a retroactive basis as a
24	condition of obtaining a permit under this chapter, nor shall
25	the failure be deemed a violation of this chapter.
26	<u>§ 3226. Oil and Gas Technical Advisory Board.</u>
27	(a) Creation of boardThe Oil and Gas Technical Advisory
28	Board is created, consisting of the following members, all of
29	whom shall be chosen by the Governor and shall be residents of
30	this Commonwealth:

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1	(1) Three individuals, each of whom shall be:
2	<u>(i) a petroleum engineer;</u>
3	<u>(ii) a petroleum geologist; or</u>
4	(iii) an experienced driller representative of the
5	oil and gas industry with three years of experience in
6	this Commonwealth.
7	(2) One mining engineer from the coal industry with
8	three years of experience in this Commonwealth.
9	(3) One geologist or petroleum engineer with three years
10	of experience in this Commonwealth, who shall be chosen from
11	a list of three names submitted by the Citizens Advisory
12	Council to the Governor and who shall sit as a representative
13	of the public interest.
14	(b) ReimbursementBoard members shall not receive a salary
15	but shall be reimbursed for all necessary expenses incurred in
16	the performance of their duties.
17	(c) Majority voteAll actions of the board shall be by
18	majority vote. The board shall meet as called by the secretary,
19	but not less than semiannually, to carry out its duties under
20	this chapter. The board shall select a chairman and other
21	officers deemed appropriate.
22	(d) ConsultationThe department shall consult with the
23	board in the formulation, drafting and presentation stages of
24	all regulations of a technical nature promulgated under this
25	chapter. The board shall be given a reasonable opportunity to
26	review and comment on all regulations of a technical nature
27	prior to submission to the Environmental Quality Board for
28	initial consideration. The written report of the board shall be
29	presented to the Environmental Quality Board with any regulatory
30	proposal. The chairman of the board shall be invited to

1	participate in the presentation of all regulations of a
2	technical nature before the Environmental Quality Board to the
3	extent allowed by procedures of the Environmental Quality Board.
4	Nothing herein shall preclude any member of the board from
5	filing a petition for rulemaking with the Environmental Quality
6	Board in accordance with procedures established by the
7	Environmental Quality Board.
8	SUBCHAPTER C
9	UNDERGROUND GAS STORAGE
10	<u>Sec.</u>
11	3231. Reporting requirements for gas storage operations.
12	3232. Reporting requirements for coal mining operations.
13	3233. General gas storage reservoir operations.
14	3234. Gas storage reservoir operations in coal areas.
15	3235. Inspection of facilities and records.
16	3236. Reliance on maps and burden of proof.
17	3237. Exemptions and prohibitions.
18	<u>§ 3231. Reporting requirements for gas storage operations.</u>
19	(a) General ruleThe following shall apply:
20	(1) A person injecting into or storing gas in a storage
21	reservoir underlying or within 3,000 linear feet of a coal
22	mine operating in a coal seam that extends over the storage
23	reservoir or reservoir protective area shall, within 60 days,
24	file with the department a copy of a map and certain data in
25	the form and manner provided in this subsection or as
26	otherwise prescribed by regulation of the department.
27	<u>(2) A person injecting gas into or storing gas in a</u>
28	storage reservoir which is not under or within 3,000 linear
29	feet of, but less than 10,000 linear feet from, a coal mine
30	operating in a coal seam that extends over the storage

1	reservoir or reservoir protective area shall file the map and
2	<u>data within 60 days or a longer period set by departmental</u>
3	regulation.
4	(3) A person proposing to inject or store gas in a
5	storage reservoir located as defined in paragraph (1) or (2)
6	shall file the appropriate required map and data with the
7	department not less than six months prior to starting the
8	<u>actual injection or storage.</u>
9	(4) A map required by this subsection shall be prepared
10	by a competent engineer or geologist, showing:
11	(i) the stratum in which the existing or proposed
12	storage reservoir is or is proposed to be located;
13	(ii) the geographic location of the outside
14	boundaries of the storage reservoir and reservoir
15	protective area;
16	(iii) the location of all known oil or gas wells in
17	the reservoir or within 3,000 linear feet thereof which
18	have been drilled into or through the storage stratum,
19	indicating which have been or are to be cleaned out and
20	plugged or reconditioned for storage along with the
21	proposed location of all additional wells which are to be
22	drilled within the storage reservoir or within 3,000
23	linear feet thereof.
24	(5) The following, if available, shall be furnished for
25	all known oil or gas wells which have been drilled into or
26	through the storage stratum within the storage reservoir or
27	within 3,000 linear feet of the storage reservoir:
28	(i) Name of the operator.
29	(ii) Date drilled.
30	<u>(iii) Total depth.</u>

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1	<u>(iv) Depth of production if the well was productive</u>
2	<u>of oil or gas.</u>
3	(v) Initial rock pressure and volume.
4	(vi) Depths at which all coal seams were
5	encountered.
6	(vii) A copy of the driller's log or other similar
7	information.
8	(5.1) At the time of the filing of the maps and data, a
9	statement shall be filed:
10	(i) detailing efforts made to determine that the
11	wells shown are accurately located on the map;
12	(ii) affirming that the wells shown represent, to
13	the best of the operator's knowledge, all oil or gas
14	wells which have ever been drilled into or below the
15	storage stratum within the proposed storage reservoir or
16	within the reservoir protective area;
17	(iii) stating whether the initial injection is for
18	testing purposes;
19	(iv) stating the maximum pressure at which injection
20	and storage of gas is contemplated; and
21	(v) providing a detailed explanation of the methods
22	to be used or which previously have been used in
23	drilling, cleaning out, reconditioning and plugging wells
24	in the storage reservoir or within the reservoir
25	protective area.
26	(6) The map and data required to be filed under
27	paragraphs (5) and (5.1) shall be amended or supplemented
28	semiannually if material changes occur. The department may
29	require a storage operator to amend or supplement the map or
30	data at more frequent intervals if material changes have

1	occurred justifying the earlier filing.
2	(b) Other reporting requirementsA person who is injecting
3	gas into or storing gas in a storage reservoir not at the time
4	subject to subsection (a), by a process other than that of
5	secondary recovery or gas recycling, shall, within 60 days, or a
6	longer period set by departmental regulations, file maps and
7	data required by departmental regulation and as follows:
8	(1) A person who, after April 18, 1985, proposes to
9	<u>inject or store gas in a storage reservoir in an area not</u>
10	covered by subsection (a) by a process other than that of
11	secondary recovery or gas recycling shall file the required
12	map and data with the department not less than six months
13	prior to the starting of actual injection or storage.
14	(2) The map shall be prepared by a competent engineer or
15	competent geologist and show:
16	(i) the stratum in which the existing or proposed
17	storage reservoir is or is to be located;
18	(ii) the geographic location of the outside
19	boundaries of the storage reservoir; and
20	(iii) the location of all known oil or gas wells
21	within the reservoir, or within 3,000 linear feet
22	thereof, which have been drilled into or through the
23	storage stratum, indicating which have been or are to be
24	cleaned out and plugged or reconditioned for storage and
25	the proposed location of all additional wells which are
26	to be drilled within the storage reservoir or within
27	3,000 linear feet thereof.
28	(3) The following, if available, shall be furnished for
29	all known oil or gas wells which have been drilled into or
30	through the storage stratum within the storage reservoir or

1	within 3,000 linear feet of the storage reservoir:
2	(i) Name of the operator.
3	(ii) Date drilled.
4	<u>(iii) Total depth.</u>
5	(iv) Depth of production if the well was productive
6	<u>of oil or gas.</u>
7	(v) Initial rock pressure and volume.
8	(vi) A copy of the driller's log or other similar
9	information.
10	(3.1) At the time of the filing of the maps and data, a
11	statement shall be filed:
12	(i) detailing efforts made to determine that the
13	wells shown are accurately located on the map;
14	(ii) affirming that the wells shown represent, to
15	the best of the operator's knowledge, all oil or gas
16	wells which have ever been drilled into or below the
17	storage stratum within the proposed storage reservoir;
18	(iii) stating whether the initial injection is for
19	testing purposes;
20	(iv) stating the maximum pressure at which injection
21	and storage of gas is contemplated; and
22	(v) providing a detailed explanation of the methods
23	to be used or which previously have been used in
24	drilling, cleaning out, reconditioning and plugging wells
25	in the storage reservoir.
26	(4) The map and data required to be filed under
27	paragraphs (3) and (3.1) shall be amended or supplemented
28	semiannually if material changes occur. The department may
29	require a storage operator to amend or supplement the map or
30	data at more frequent intervals if material changes have

1	occurred justifying the earlier filing.
2	(c) Political subdivisionsStorage operators shall give
3	notice to the department of the name of each political
4	subdivision and county in which the operator maintains and
5	<u>operates a gas storage reservoir.</u>
6	(d) Notice to affected personsAt the time of the filing
7	of maps and data and the filing of amended or supplemental maps
8	or data required by this section, the person filing the
9	information shall give written notice of the filing to all
10	persons who may be affected under the provisions of this chapter
11	by the storage reservoir described in the maps or data. Notices
12	shall contain a description of the boundaries of the storage
13	reservoir. When a person operating a coal mine or owning an
14	interest in coal properties which are or may be affected by the
15	storage reservoir requests, in writing, a copy of any map or
16	data filed with the department, the copy shall be furnished by
17	the storage operator.
18	(e) Outside boundariesFor purposes of this chapter, the
19	outside boundaries of a storage reservoir shall be defined by
20	the location of those wells around the periphery of the storage
21	reservoir which had no gas production when drilled in the
22	storage stratum. The boundaries shall be originally fixed or
23	subsequently changed if, based on the number and nature of the
24	wells and the geological and production knowledge of the storage
25	stratum, its character, permeability, distribution and operating
26	experience, it is determined in a conference under section 3251
27	(relating to conferences) that modifications should be made.
28	(f) Inapplicability of sectionThe requirements of this
29	section shall not apply to the operator of an underground gas
30	storage reservoir so long as the reservoir is located more than
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1	10,000 linear feet from an operating coal mine, except that the
2	storage operator shall give notice to the department of the name
3	of each political subdivision and county in which the operator
4	maintains and operates a gas storage reservoir. In political
5	subdivisions and counties where both gas storage reservoirs and
6	coal mines are being operated, the department may request the
7	storage operator to furnish maps showing geographical locations
8	and outside boundaries of the storage reservoirs. The department
9	shall keep a record of the information and promptly notify the
10	coal operator and the storage operator when notified by them
11	that the coal mine and storage reservoir are within 10,000
12	linear feet of each other.
13	§ 3232. Reporting requirements for coal mining operations.
14	(a) General ruleA person owning or operating a coal mine
15	shall file with the department a map prepared and sealed by a
16	competent individual licensed as a professional engineer or
17	professional land surveyor under the provisions of the act of
18	May 23, 1945 (P.L.913, No.367), known as the Engineer, Land
19	Surveyor and Geologist Registration Law, showing the outside
20	coal boundaries of the operating coal mine, the existing
21	workings and exhausted areas and the relationship of the
22	boundaries to identifiable surface properties and landmarks. A
23	person owning or operating an operating coal mine which has been
24	penetrated by a well shall furnish a mine map to the department
25	each year indicating the excavations for the preceding year and
26	the projections for the ensuing year. The map required by this
27	subsection shall be furnished to a person storing or
28	contemplating the storage of gas in the vicinity of operating
29	coal mines shall, upon written request, by the coal operator,
30	and the person and the department shall thereafter be informed

1	of any boundary changes at the time the changes occur. The
2	department shall keep a record of the information and promptly
3	notify the coal operator and storage operator when notified by
4	them that the coal mine and the storage reservoir are within
5	10,000 linear feet of each other.
6	(b) Mines near certain reservoirsA person owning or
7	operating any coal mine which is or which comes within 10,000
8	linear feet of a storage reservoir and where the coal seam being
9	operated extends over the storage reservoir or reservoir
10	protective area shall, within 45 days after receiving notice
11	from the storage operator of that fact, file with the department
12	and furnish to the person operating the storage reservoir a map
13	in the form required by subsection (a) showing, in addition to
14	the requirements of subsection (a), existing and projected
15	excavations and workings of the operating coal mine for the
16	ensuing 18-month period and the location of oil or gas wells of
17	which the coal operator has knowledge. The person owning or
18	operating the coal mine shall, each six months thereafter, file
19	with the department and furnish to the person operating the
20	storage reservoir a revised map showing any additional
21	excavations and workings, together with the projected
22	excavations and workings for the then ensuing 18-month period,
23	which may be within 10,000 linear feet of the storage reservoir.
24	The department may require a coal operator to file revised maps
25	at more frequent intervals if material changes have occurred
26	justifying earlier filing. The person owning or operating the
27	coal mine shall also file with the department and furnish the
28	person operating the reservoir prompt notice of any wells which
29	have been cut into, together with all available pertinent
30	information.

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1	<u>(c) Mines near gas storage reservoirsA person owning or</u>
2	operating a coal mine who has knowledge that it overlies or is
3	within 2,000 linear feet of a gas storage reservoir shall,
4	within 30 days, notify the department and the storage operator
5	of that fact.
6	(d) Mines projected to be near storage reservoirsWhen a
7	person owning or operating a coal mine expects that, within the
8	ensuing nine-month period, the coal mine will be extended to a
9	point which will be within 2,000 linear feet of any storage
10	reservoir, the person shall notify the department and storage
11	operator in writing of that fact.
12	(e) New minesA person intending to establish or
13	reestablish an operating coal mine which will be over a storage
14	reservoir or within 2,000 linear feet of a storage reservoir or
15	may within nine months thereafter be expected to be within 2,000
16	linear feet of a storage reservoir shall immediately notify the
17	department and storage operator in writing. Notice shall include
18	the date on which the person intends to establish or reestablish
19	the operating coal mine.
20	(f) MisdemeanorA person who serves notice as required by
21	this subsection of an intention to establish or reestablish an
22	operating coal mine, without intending in good faith to
23	establish or reestablish the mine, is liable for continuing
24	damages to a storage operator injured by the improper notice and
25	commits a misdemeanor subject to the penalties of section 3255
26	(relating to penalties).
27	<u>§ 3233. General gas storage reservoir operations.</u>
28	(a) General ruleA person who operates or proposes to
29	operate a storage reservoir, except one filled by the secondary
30	recovery or gas recycling process, shall:

1	(1) Use every known method which is reasonable under the
2	circumstances for discovering and locating all wells which
3	have or may have been drilled into or through the storage
4	reservoir.
5	(2) Plug or recondition, as provided in departmental
6	regulations, all known wells drilled into or through the
7	storage reservoir, except to the extent otherwise provided in
8	subsections (b) and (c).
9	(b) Wells to be pluggedTo comply with subsection (a),
10	wells which are to be plugged shall be plugged in the manner
11	specified in section 3220 (relating to plugging requirements).
12	(b.1) Wells plugged prior to enactment of sectionIf a
13	well located in the storage reservoir area has been plugged
14	prior to April 18, 1985, and on the basis of data, information
15	and other evidence submitted to the department, it is determined
16	that the plugging was done in the manner required by section
17	3220 or approved as an alternative method under section 3221
18	(relating to alternative methods) and the plugging is still
19	sufficiently effective to meet the requirements of this chapter,
20	the obligations under subsection (a) with regard to plugging the
21	well shall be considered to have been fully satisfied.
22	(c) Wells to be reconditionedThe following shall apply:
23	(1) To comply with subsection (a), wells which are to be
24	reconditioned shall, unless the department by regulation
25	specifies a different procedure, be cleaned out from the
26	surface through the storage horizon, and the producing casing
27	and casing strings determined not to be in good physical
28	condition shall be replaced with new casing, using the same
29	procedure as is applicable to drilling a new well under this
30	chapter. In the case of wells to be used for gas storage, the

2space behind the largest diameter casing to the extent.3possible shall be filled to the surface with cement or.4bentonitic mud or a nonporous material approved by the.5department under section 3221. At least 15 days prior to6reconditioning, the storage operator shall give notice to the7department, setting forth in the notice the manner in which8it is planned to recondition the well and any pertinent data9known to the storage operator which will indicate the10condition of the well existing at that time. In addition, the11storage operator shall give the department at least 72 hours'12notice of the time when reconditioning is to begin. If no13objections are raised by the department within ten days, the14storage operator may proceed with reconditioning in15accordance with the plan as submitted. If objections are made.16by the department, the department may fix a time and place.17for a conference under section 3251 (relating to conferences).18at which the storage operator and department shall endeavor.19to agree on a plan to satisfy the objections and meet the20requirements of this section. If no agreement is reached, the21department may, by an appropriate order, determine whether22the plan as submitted meets the requirements of this section.23or what changes, if any, are required. If, in reconditioning24a well in accordance with the plan, physical conditions are25encountered which	1	annular space between each string of casing and the annular
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 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 iustify 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	2	space behind the largest diameter casing to the extent
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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	7	department, setting forth in the notice the manner in which
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29 <u>as with original objections. An application may be made in</u>	27	changed. If the request is denied, the department shall fix a
	28	conference under section 3251 and proceed in the same manner
30 the manner prescribed by section 3221 for approval of an	29	as with original objections. An application may be made in
	30	the manner prescribed by section 3221 for approval of an

1	alternative method of reconditioning a well. If a well
2	located within the storage reservoir was reconditioned, or
3	drilled and equipped, prior to April 18, 1985, the
4	obligations imposed by subsection (a), as to reconditioning
5	the well, shall be considered fully satisfied if, on the
6	basis of the data, information and other evidence submitted
7	to the department, it is determined that:
8	(i) The conditioning or previous drilling and
9	equipping was done in the manner required in this
10	subsection, in regulations promulgated under this chapter
11	or in a manner approved as an alternative method in
12	accordance with section 3221.
13	(ii) The reconditioning or previous drilling and
14	equipping is still sufficiently effective to meet the
15	requirements of this chapter.
16	(2) If a well requires emergency repairs, this chapter
17	shall not be construed to require the storage operator to
18	give any notice required by this subsection before making the
19	repairs.
20	(d) ExceptionThe requirements of subsection (a) shall not
21	apply to injection of gas into a stratum when the sole purpose
22	of injection, referred to in this subsection as testing, is to
23	determine whether the stratum is suitable for storage purposes.
24	Testing shall be conducted only in compliance with the following
25	requirements:
26	(1) The person testing or proposing to test shall comply
27	with section 3231 (relating to reporting requirements for gas
28	storage operations) and verify the statement required to be
29	filed by that section.
30	(2) The storage operator shall give at least six months'

1	written notice to the department of the fact that injection
2	of gas for testing purposes is proposed.
3	(3) If the department has objections, the department
4	shall fix a time and place for a conference under section
5	3251, not more than ten days from the date of notice to the
6	storage operator, at which time the storage operator and
7	department shall attempt to resolve the issues presented. If
8	an agreement cannot be reached, the department may issue an
9	appropriate order.
10	(e) Failure to execute lawful orderIn a proceeding under
11	this chapter, if the department determines that an operator of a
12	storage reservoir has failed to carry out a lawful order issued
13	under this chapter, the department may require the operator to
14	suspend operation of the reservoir and withdraw the gas until
15	the violation is remedied, in which case the storage operator,
16	limited by due diligence insofar as existing facilities utilized
17	to remove gas from the reservoir will permit, shall:
18	(1) if possible, remove the amount required by the
19	<u>department to be removed; or</u>
20	(2) in any event, remove the maximum amount which can be
21	withdrawn in accordance with recognized engineering and
22	operating procedures.
23	(f) Duty of storage reservoir operatorThe following shall
24	apply:
25	(1) A person owning or operating a storage reservoir
26	subject to this chapter shall have a duty to:
27	(i) Maintain all wells drilled into or through the
28	reservoir in a condition, and operate them in a manner,
29	sufficient to prevent the escape of gas.
30	(ii) Operate and maintain the reservoir and its

1	facilities as prescribed by departmental regulations and
2	at a pressure which will prevent gas from escaping, but
3	the pressure shall not exceed the highest rock pressure
4	found to have existed during the production history of
5	the reservoir or another high pressure limit approved by
6	the department after holding a conference under section
7	3251 based on geological and production knowledge of the
8	reservoir, its character, permeability distribution and
9	operating experience.
10	(2) The duty under paragraph (1) shall not be construed
11	to include inability to prevent the escape of gas when gas
12	<u>escapes as a result of an act of God or a person not under</u>
13	the control of the storage operator. In that instance, the
14	storage operator shall have a duty to take action reasonably
15	necessary to prevent further escape of gas. This paragraph
16	does not apply to a well which the storage operator failed to
17	locate and make known to the department.
18	<u>§ 3234. Gas storage reservoir operations in coal areas.</u>
19	(a) General ruleA person operating a storage reservoir
20	which underlies or is within 2,000 linear feet of a coal mine
21	operating in a coal seam that extends over the storage reservoir
22	or the reservoir protective area shall:
23	(1) Use every known reasonable method for discovering
24	and locating all wells which have or may have been drilled
25	into or through the storage stratum in the acreage lying
26	within the outside coal boundaries of the operating coal mine
27	overlying the storage reservoir or the reservoir protective
28	<u>area.</u>
29	(2) Plug or recondition, as provided by section 3220
30	(relating to plugging requirements) and subsection (e), all

1	known wells, except to the extent provided in subsections
2	(e), (f), (g) and (h), drilled into or through the storage
3	stratum and located within the portion of the acreage of the
4	operating coal mine overlying the storage reservoir or the
5	reservoir protective area. If an objection is raised as to
6	use of a well as a storage well and after a conference under
7	section 3251 (relating to conferences) it is determined by
8	the department, taking into account all circumstances and
9	conditions, that the well should not be used as a storage
10	well, the well shall be plugged unless, in the opinion of the
11	storage operator, the well may be used as a storage well in
12	the future, in which case, upon approval of the department
13	after taking into account all circumstances and conditions,
14	the storage operator may recondition and inactivate the well
15	rather than plug it.
16	(3) The requirements of paragraph (2) shall be deemed to
17	have been fully complied with if, as the operating coal mine
18	is extended, all wells which from time to time come within
19	the acreage described in paragraph (2) are reconditioned or
20	plugged as provided in section 3220 and subsection (e) or (f)
21	so that, by the time the coal mine has reached a point within
22	2,000 linear feet of the wells, they will have been
23	reconditioned or plugged in accordance with section 3220 and
24	subsection (e) or (f).
25	(b) Verified statementA person operating a storage
26	reservoir referred to in subsection (a) shall file with the
27	department and furnish a copy to the person operating the
28	affected operating coal mine a verified statement setting forth:
29	(1) That the map and any supplemental maps required by
30	section 3231(a) (relating to reporting requirements for gas

1	storage operations) have been prepared and filed in
2	accordance with section 3231.
3	(2) A detailed explanation of what the storage operator
4	has done to comply with the requirements of subsection (a)(1)
5	and (2) and the results of those actions.
6	(3) Such additional efforts, if any, as the storage
7	operator is making and intends to make to locate all wells.
8	(4) Any additional wells that are to be plugged or
9	reconditioned to meet the requirements of subsection (a)(2).
10	(b.1) Order of departmentIf the statement required under
11	subsection (b) is not filed by the storage reservoir operator
12	within the time specified by this chapter or the regulations of
13	the department, the department may order the operator to file
14	the statement.
15	(c) ProcedureWithin 120 days after receipt of a statement
16	required by this section, the department may direct that a
17	conference be held in accordance with section 3251 to determine
18	whether the requirements of section 3231 and subsection (a) have
19	been fully met. At the conference, if any person believes the
20	requirements have not been fully met, the parties shall attempt
21	to agree on additional actions to be taken and the time for
22	completion, subject to approval of the department. If an
23	agreement cannot be reached, the department shall make a
24	determination and, if the department determines any requirements
25	have not been met, the department shall issue an order
26	specifying in detail the extent to which the requirements have
27	not been met and the actions which the storage operator must
28	complete to meet the requirements. The order shall grant as much
29	time as is reasonably necessary to fully comply. If the storage
30	operator encounters conditions not known to exist at the time of

1	issuance of the order and which materially affect the validity
2	of the order or the ability of the storage operator to comply
3	with it, the storage operator may apply for a rehearing or
4	modification of the order.
5	(d) NotificationIf, in complying with subsection (a), a
6	storage operator, after filing the statement provided for in
7	subsection (b), plugs or reconditions a well, the storage
8	operator shall notify the department and the coal operator
9	affected, in writing, setting forth facts indicating the manner
10	in which the plugging or reconditioning was done. Upon receipt
11	of the notification, the coal operator or department may request
12	<u>a conference under section 3251.</u>
13	(e) Plugging wellsIn order to meet the requirements of
14	subsection (a), wells which are to be plugged shall be plugged
15	in the manner specified in regulations promulgated under section
16	3211 (relating to well permits). When a well located within the
17	storage reservoir or the reservoir protective area has been
18	plugged prior to April 18, 1985, and, on the basis of the data
19	information and other evidence submitted to the department, it
20	is determined that the plugging was done in the manner required
21	by section 3220, or in a manner approved as an alternative
22	method in accordance with section 3221 (relating to alternative
23	methods), and the plugging is still sufficiently effective to
24	meet the requirements of this chapter, the requirements of
25	subsection (a) as to plugging the well shall be considered to
26	have been fully satisfied.
27	(f) Reconditioned wells The following shall apply:
28	(1) In order to comply with subsection (a), unless the
29	department by regulation specifies a different procedure,
30	wells which are to be reconditioned shall be cleaned out from

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1	the surface through the storage horizon, and the following
2	casing strings shall be pulled and replaced with new casing,
3	using the procedure applicable to drilling a new well under
4	this chapter:
5	(i) the producing casing;
6	(ii) the largest diameter casing passing through the
7	lowest workable coal seam unless it extends at least 25
8	feet below the bottom of the coal seam and is determined
9	to be in good physical condition, but the storage
10	operator may, instead of replacing the largest diameter
11	casing, replace the next largest casing string if the
12	casing string extends at least 25 feet below the lowest
13	workable coal seam; and
14	(iii) casing strings determined not to be in good
15	physical condition
16	(2) In the case of a well to be used for gas storage,
17	the annular space between each string of casing and the
18	annular space behind the largest diameter casing, to the
19	extent possible, shall be filled to the surface with cement
20	or bentonitic mud or an equally nonporous material approved
21	by the department under section 3221.
22	(3) At least 15 days before a well is to be
23	reconditioned, the storage operator shall give notice to the
24	department and the coal operator, lessee or owner, setting
25	forth the manner in which reconditioning is planned and
26	pertinent data known to the storage operator which will
27	indicate the current condition of the well, along with at
28	least 72 hours' notice of the date and time when
29	reconditioning will begin. The coal operator, lessee or owner
30	shall have the right to file, within ten days after receipt

1	of the notice, objections to the plan of reconditioning as
2	submitted by the storage operator. If no objections are filed
3	and none are raised by the department within ten days, the
4	storage operator may proceed with reconditioning in
5	accordance with the plan as submitted. If an objection is
6	filed or made by the department, the department shall fix a
7	time and place for a conference under section 3251, at which
8	conference the storage operator and the person having
9	objections shall attempt to agree on a plan of reconditioning
10	that meets the requirements of this section. If no agreement
11	is reached, the department shall, by an appropriate order,
12	determine whether the plan as submitted meets the
13	requirements of this section or what changes should be made
14	to meet the requirements. If, in reconditioning the well in
15	accordance with the plan, physical conditions are encountered
16	which justify or necessitate a change in the plan, the
17	storage operator or coal operator may request that the plan
18	be changed. If the parties cannot agree on a change, the
19	department shall arrange for a conference to determine the
20	matter in the same manner as set forth in connection with
21	original objections to the plan.
22	(4) Application may be made to the department in the
23	manner prescribed in section 3221 for approval of an
24	alternative method of reconditioning a well. When a well
25	located within the storage reservoir or the reservoir
26	protective area has been reconditioned or drilled and
27	equipped prior to April 18, 1985, and, on the basis of the
28	data, information and other evidence submitted to the
29	department, the obligations imposed by subsection (a) as to
30	reconditioning the well shall be considered to be fully

1	satisfied if it is determined that reconditioning or previous
2	drilling and equipping:
3	(i) was done in the manner required in this
4	subsection, or in regulations promulgated hereunder, or
5	in a manner approved as an alternative method in
6	accordance with section 3221; or
7	(ii) is still sufficiently effective to meet the
8	requirements of this chapter.
9	(5) If a well requires emergency repairs, this
10	subsection shall not be construed to require the storage
11	operator to give the notices specified herein before making
12	the repairs.
13	(g) Producing wellsIf a well located within the reservoir
14	protective area is a producing well in a stratum below the
15	storage stratum, the obligations imposed by subsection (a) shall
16	not begin until the well ceases to be a producing well.
17	(h) Certain other wellsIf a well within a storage
18	reservoir or reservoir protective area penetrates the storage
19	stratum but does not penetrate the coal seam being mined by an
20	operating coal mine, the department may, upon application of the
21	operator of the storage reservoir, exempt the well from the
22	requirements of this section. Either party affected may request
23	a conference under section 3251 with respect to exemption of a
24	well covered by this subsection.
25	(i) Plugging limitationIn fulfilling the requirements of
26	subsection (a)(2) with respect to a well within the reservoir
27	protective area, the storage operator shall not be required to
28	plug or recondition the well until the storage operator has
29	received from the coal operator written notice that the mine
30	workings will, within the period stated in the notice, be within
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1	2,000 linear feet of the well. Upon the receipt of the notice,
2	the storage operator shall use due diligence to complete the
3	plugging or reconditioning of the well in accordance with the
4	requirements of this section and section 3220. If the mine
5	workings do not, within a period of three years after the well
6	has been plugged, come within 2,000 linear feet of the well, the
7	coal operator shall reimburse the storage operator for the cost
8	of plugging, provided that the well is still within the
9	reservoir protective area as of that time.
10	(j) Retreat miningIf retreat mining approaches a point
11	where, within 90 days, it is expected that the retreat work will
12	be at the location of the pillar surrounding an active storage
13	well, the coal operator shall give written notice to the storage
14	operator, and by agreement the parties shall determine whether
15	it is necessary or advisable to effectively and temporarily
16	inactivate the well. The well shall not be reactivated until a
17	reasonable period, determined by the parties, has elapsed. If
18	the parties cannot agree as required by this subsection, the
19	matter shall be submitted to the department for resolution. The
20	number of wells required to be temporarily inactivated during
21	the retreat period shall not be of a number that materially
22	affects efficient operation of the storage pool, except that
23	this provision shall not preclude temporary inactivation of a
24	particular well if the practical effect of inactivating it is to
25	render the pool temporarily inoperative.
26	(k) ExceptionsThe requirements of subsections (a), (l)
27	and (m) shall not apply to injection of gas into a stratum when
28	the whole purpose of injection, referred to in this subsection
29	as testing, is to determine whether the stratum is suitable for
30	storage purposes. Testing shall be conducted only in compliance
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1 with the following requirements:

2	(1) The person testing or proposing to test shall comply
3	with all provisions and requirements of section 3231 and
4	verify the statement required to be filed by that section.
5	(2) If any part of the proposed storage reservoir is
6	under or within 2,000 linear feet of an operating coal mine
7	which is operating in a coal seam that extends over the
8	proposed storage reservoir or the reservoir protective area,
9	the storage operator shall give at least six months' written
10	notice to the department and coal operator of the fact that
11	injection of gas for testing purposes is proposed.
12	(3) The coal operator affected may at any time file
13	objections with the department, whereupon the department
14	shall fix a time and place for a conference under section
15	3251, not more than ten days from the date of the notice to
16	the storage operator. At the conference, the storage operator
17	and the objecting party shall attempt to agree, subject to
18	approval of the department, on the questions involved. If an
19	agreement cannot be reached, the department may issue an
20	appropriate order.
21	(4) If at any time a proposed storage reservoir being
22	tested comes under or within 2,000 linear feet of an
23	operating coal mine because of extension of the storage
24	reservoir being tested or because of extension or
25	establishment or reestablishment of the operating coal mine,
26	the requirements of this subsection shall immediately become
27	applicable to the testing.
28	(1) Storage reservoirs near operating coal minesA person
29	who proposes to establish a storage reservoir under or within
30	2,000 linear feet of a coal mine operating in a coal seam that

1	extends over the storage reservoir or the reservoir protective
2	area shall, prior to establishing the reservoir, and in addition
3	to complying with section 3231 and subsection (a), file the
4	verified statement required by subsection (b) and fully comply
5	with any order of the department in the manner provided under
6	subsection (b) or (c) before commencing operation of the storage
7	reservoir. After the person proposing to operate the storage
8	reservoir complies with the requirements of this subsection and
9	commences operations, the person shall continue to be subject to
10	all provisions of this chapter.
11	(m) Gas storage reservoirsIf a gas storage reservoir is
12	in operation on April 18, 1985, and at any time thereafter it is
13	under or within 2,000 linear feet of an operating coal mine, or
14	if a gas storage reservoir is put in operation after April 18,
15	1985, and at any time after storage operations begin it is under
16	or within 2,000 linear feet of an operating coal mine, the
17	storage operator shall comply with all of the provisions of this
18	section, except that:
19	(1) the time for filing the verified statement under
20	subsection (b) shall be 60 days after the date stated in the
21	notice filed by the coal operator under section 3232(d) and
22	(e) (relating to reporting requirements for coal mining
23	<pre>operations);</pre>
24	(2) the coal operator shall give notice of the delay to
25	the department;
26	(3) the department shall, upon the request of the
27	storage operator, extend the time for filing the statement by
28	the additional time which will be required to extend or
29	establish or reestablish the operating coal mine to a point
30	within 2,000 linear feet of the reservoir;

1	(4) the verified statement shall also indicate that the
2	<u>map referred to in section 3231(a) has been currently amended</u>
3	as of the time of the filing of the statement; and
4	(5) the person operating the storage reservoir shall
5	continue to be subject to all of the provisions of this
6	<u>chapter.</u>
7	(n) Failure to comply with orderIf, in any proceeding
8	under this chapter, the department determines that an operator
9	of a storage reservoir has failed to comply with a lawful order
10	issued under this chapter, the department may require the
11	storage operator to suspend operation of the reservoir and
12	withdraw the gas from it until the violation is remedied, in
13	which case the storage operator, limited by due diligence
14	insofar as existing facilities utilized to remove gas from the
15	reservoir will permit, shall:
16	(1) if possible, remove the amount required by the
17	department to be removed; or
18	(2) in any event, remove the maximum amount which can be
19	withdrawn in accordance with recognized engineering and
20	operating procedures.
21	(o) Prevention of escape of gasIn addition to initial
22	compliance with other provisions of this chapter and lawful
23	orders issued under this chapter, it shall be the duty, at all
24	times, of a person owning or operating a storage reservoir
25	subject to this chapter to keep all wells drilled into or
26	through the storage stratum in a condition, and operate the
27	wells in a manner, which is designed to prevent the escape of
28	gas out of the storage reservoir and its facilities, and to
29	operate and maintain the storage reservoir and its facilities in
30	the manner prescribed by regulation of the department and at a

1	pressure that will prevent gas from escaping from the reservoir
2	or its facilities. This duty shall not be construed to include
3	inability to prevent the escape of gas when escape results from
4	an act of God or a person not under the control of the storage
5	operator, except that this exception does not apply to a well
6	which the storage operator has failed to locate and make known
7	to the department. If an escape of gas results from an act of
8	God or a person not under the control of the storage operator,
9	the storage operator shall be under the duty to take any action
10	reasonably necessary to prevent further escape of gas out of the
11	storage reservoir and its facilities.
12	§ 3235. Inspection of facilities and records.
13	(a) General ruleThe person operating a storage reservoir
14	affected by this chapter shall, at all reasonable times, be
15	permitted to inspect applicable records and facilities of a coal
16	mine overlying the storage reservoir or reservoir protective
17	area. The person operating a coal mine affected by this chapter
18	shall, at all reasonable times, be permitted to inspect
19	applicable records and facilities of a storage reservoir
20	underlying the coal mine.
21	(b) OrderIf a storage operator or coal operator subject
22	to subsection (a) refuses to permit inspection of records or
23	facilities, the department may, on its own motion or on
24	application of the party seeking inspection, after reasonable
25	written notice and a hearing if requested by an affected party,
26	order inspection.
27	§ 3236. Reliance on maps and burden of proof.
28	(a) General ruleIn determining whether a coal mine or
29	operating coal mine is or will be within a particular distance
30	from a storage reservoir which is material under this chapter,

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1	the owner or operator of the coal mine and the storage operator
2	may rely on the most recent map of the storage reservoir or coal
3	mine filed by the other party with the department.
4	(b) AccuracyWhere accuracy of a map or data filed under
5	this chapter is in issue, the person that filed the map or data
6	shall:
7	(1) at the request of an objecting party, disclose the
8	information and method used to compile the map or data, along
9	with any information available to the person that might
10	affect current validity of the map or data; and
11	(2) have the burden of proving accuracy of the map or
12	<u>data.</u>
13	§ 3237. Exemptions and prohibitions.
14	(a) Inapplicability of chapter to certain coal minesThis
15	chapter shall not apply to the following types of coal mines:
16	(1) Strip mines and auger mines operating from the
17	surface.
18	(2) Mines to which the former act of June 9, 1911
19	(P.L.756, No.319), entitled "An act to provide for the health
20	and safety of persons employed in and about the bituminous
21	coal-mines of Pennsylvania, and for the protection and
22	preservation of property connected therewith," did not apply
23	in accordance with section 3 of Article XXVIII of that act.
24	(3) Mines to which the former act of June 2, 1891
25	(P.L.176, No.177), entitled "An act to provide for the health
26	and safety of persons employed in and about the anthracite
27	coal mines of Pennsylvania and for the protection and
28	preservation of property connected therewith," did not apply
29	in accordance with section 1 of Article I of that act.
30	(b) Workable coal seamsInjection of gas for storage

1	purposes in a workable coal seam, whether or not it is being or
2	has been mined, is prohibited.
3	(b.1) Original extractionNothing in this chapter
4	prohibits original extraction of natural gas, crude oil or coal.
5	(c) Certain rock formationsNothing in this chapter
6	<u>applies to storage of gas or liquids in storage reservoirs</u>
7	excavated in rock formations specifically for storage purposes.
8	SUBCHAPTER D
9	EMINENT DOMAIN
10	<u>Sec.</u>
11	3241. Appropriation of interest in real property.
12	<u>§ 3241. Appropriation of interest in real property.</u>
13	(a) General ruleExcept as provided in this subsection, a
14	corporation empowered to transport, sell or store natural gas or
15	manufactured gas in this Commonwealth may appropriate an
16	interest in real property located in a storage reservoir or
17	reservoir protective area for injection, storage and removal
18	from storage of natural gas or manufactured gas in a stratum
19	which is or previously has been commercially productive of
20	natural gas. The right granted by this subsection shall not be
21	exercised to acquire any of the following for the purpose of gas
22	<u>storage:</u>
23	(1) An interest in a geological stratum within the area
24	<u>of a proposed storage reservoir or reservoir protective area:</u>
25	(i) unless the original recoverable oil or gas
26	reserves in the proposed storage reservoir have been
27	depleted or exhausted by at least 80%; and
28	(ii) until the condemnor has acquired the right, by
29	grant, lease or other agreement, to store gas in the
30	geological stratum underlying at least 75% of the area of

1	the proposed storage reservoir.
2	(2) An interest in a geological stratum within the area
3	of a proposed storage reservoir or reservoir protective area
4	owned directly or indirectly by a gas company or other person
5	engaged in local distribution of natural gas, if the interest
6	to be acquired is presently being used by the gas company or
7	other person for storage of gas in performance of service to
8	<u>customers in its service area.</u>
9	(b) ConstructionThe following shall apply:
10	(1) This chapter authorizes appropriation within a
11	storage reservoir or reservoir protective area of the
12	<u>following:</u>
13	(i) a stratum to be used for storage;
14	(ii) any gas reserve remaining a stratum to be used
15	<u>for storage;</u>
16	(iii) an active or abandoned well or wells drilled
17	into a stratum to be used for storage; and
18	(iv) the right to enter upon and use the surface of
19	lands to:
20	(A) locate, recondition, maintain, plug or
21	replug an active or abandoned well; or
22	(B) operate a well drilled into or through a
23	stratum to be used for storage.
24	(2) This chapter does not preclude the owner of
25	nonstorage strata from drilling wells to produce oil or gas
26	from a stratum above or below the storage stratum
27	appropriated by another person, but a person appropriating or
28	holding storage rights may access, inspect and examine the
29	drilling, the completed well, drilling logs and other records
30	relating to drilling, equipping or operating the well in

1 order to determine whether the storage stratum is being 2 adequately protected to prevent escape of gas stored therein. (3) This chapter does not authorize appropriation of a 3 coal or coal measure, regardless of whether it is being 4 5 mined, or an interest in the coal mine or coal measure. 6 (c) Activities through appropriated strata. -- A person 7 drilling, operating, using or plugging a well through a stratum 8 appropriated under this chapter shall drill, case, equip, 9 operate or plug it in a manner designed to prevent avoidable escape of gas that may be stored in the storage stratum. Upon 10 violation of this subsection, the court of common pleas of the 11 12 county where the land in guestion is situated may compel 13 compliance by injunction or grant other appropriate relief in an 14 action brought by the person storing gas in the storage stratum. (d) Prerequisites to appropriation.--Before appropriating 15 16 under this chapter, a person shall attempt to agree with owners of interests in the real property involved as to damages payable 17 18 for rights and interests to be appropriated, if the owners can be found and are sui juris. If the parties fail to agree, the 19 person shall tender a surety bond to the owners to secure them 20 in the payment of damages. If the owners refuse to accept the 21 bond, cannot be found or are not sui juris, and after reasonable 22 23 notice to the owners by advertisement or otherwise, the bond 24 shall be presented for approval to the court of common pleas of the county in which the tract of land is situated. Upon the 25 26 approval of the bond by the court, the right of the person to 27 appropriate in accordance with the provisions of this chapter 28 shall be complete. 29 (e) Appointment of viewers. -- Upon petition of a property owner or a person appropriating under this chapter, the court 30

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1 <u>shall:</u>

2	(1) appoint three disinterested freeholders of the
3	county to serve as viewers to assess damages to be paid to
4	the property owner for the rights appropriated;
5	(2) fix a time for the parties to meet;
6	(3) provide notice to the parties; and
7	(4) after the viewers have filed their report, fix
8	reasonable compensation for the service of the viewers.
9	(f) AppealWithin 20 days after the filing of a report by
10	viewers appointed under subsection (e), a party may appeal and
11	proceed to a jury trial as in ordinary cases.
12	(g) RequirementsNothing in this section shall relieve a
13	person operating a storage reservoir from the requirements of
14	this chapter.
15	SUBCHAPTER E
16	ENFORCEMENT AND REMEDIES
17	<u>Sec.</u>
18	3251. Conferences.
19	<u>3252. Public nuisances.</u>
20	3253. Enforcement orders.
21	3254. Restraining violations.
22	<u>3255. Penalties.</u>
23	<u>3256. Civil penalties.</u>
24	3257. Existing rights and remedies preserved and cumulative
25	remedies authorized.
26	3258. Production of materials, witnesses, depositions and
27	<u>rights of entry.</u>
28	3259. Unlawful conduct.
29	3260. Collection of fines and penalties.
30	3261. Third-party liability.

1 <u>§ 3251. Conferences.</u>

2	(a) General ruleThe department or any person having a
3	direct interest in a matter subject to this chapter may, at any
4	time, request that a conference be held to discuss and attempt
5	to resolve by mutual agreement a matter arising under this
6	chapter. Unless otherwise provided, conferences shall be held
7	within 90 days after a request is received by the department,
8	and notice shall be given by the department to all interested
9	parties. A representative of the department shall attend the
10	conference and the department may make recommendations. An
11	agreement reached at a conference shall be consistent with this
12	chapter and, if approved by the department, it shall be reduced
13	to writing and shall be effective, unless reviewed and rejected
14	by the department within ten days after the conference. The
15	record of an agreement approved by the department shall be kept
16	on file by the department and copies shall be furnished to the
17	parties. The scheduling of a conference shall have no effect on
18	the department's authority to issue orders to compel compliance
19	with this chapter.
20	(b) NotificationWhen a coal operator is to be notified of
21	a proceeding under this section, the department simultaneously
22	shall send a copy of the notice to the collective bargaining
23	representative of employees of the coal operator.
24	<u>§ 3252. Public nuisances.</u>
25	<u>A violation of section 3216 (relating to well site</u>
26	restoration), 3217 (relating to protection of fresh groundwater
27	and casing requirements), 3218 (relating to protection of water
28	supplies), 3219 (relating to use of safety devices) or 3220
29	(relating to plugging requirements), or a rule, regulation,
30	order, term or condition of a permit relating to any of those
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1 <u>sections constitutes a public nuisance.</u>

## 2 <u>§ 3253. Enforcement orders.</u>

3	(a) General ruleExcept as modified by subsections (b),
4	(c) and (d), the department may issue orders necessary to aid in
5	enforcement of this chapter. An order issued under this chapter
6	shall take effect upon notice, unless the order specifies
7	otherwise. The power of the department to issue an order under
8	this chapter is in addition to any other remedy available to the
9	department under this chapter or under any other law.
10	(b) Suspension and revocationThe department may suspend
11	or revoke a well permit or well registration for any well in
12	continuing violation of this chapter, the act of June 22, 1937
13	(P.L.1987, No.394), known as The Clean Streams Law, the act of
14	July 7, 1980 (P.L.380, No.97), known as the Solid Waste
15	Management Act, any other statute administered by the department
16	or a rule or regulation. The right of the department to revoke a
17	permit or registration under this subsection shall not be
18	effective until a final administrative determination has been
19	made of the violation and no appeal is pending in which a stay
20	has been granted. A suspension order of the department shall
21	automatically terminate if the violation upon which it is based
22	is corrected by the operator to bring the well into compliance
23	with this chapter.
24	(c) Written noticePrior to suspension or revocation of a
25	well permit or registration, the department shall serve written
26	notice on the well operator or its agent, stating specifically
27	the statutory provision, rule, regulation or other reason relied
28	upon, along with factual circumstances surrounding the alleged
29	violation. The well operator shall have 15 days to request a
30	conference with the department to show cause why action should
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1	not be taken. Upon receipt of a request, the department shall
2	hold a conference and render a decision within 15 days after the
3	conference. The department shall provide written notice of the
4	decision to the well operator or its agent, which shall become
5	effective upon receipt. If the decision is to suspend or revoke
6	the permit or registration, the department may order the
7	<u>operator to cap the well IF THE LIKELY RESULT OF THE VIOLATION</u>
8	IS AN UNSAFE OPERATION OR ENVIRONMENTAL DAMAGE.
9	(d) Immediate ordersAn order of the department requiring
10	immediate cessation of drilling operations shall be effective
11	only if authorized by the secretary or by the Executive Deputy
12	Secretary for Environmental Protection.
13	(e) GrievancesA person aggrieved by a department order
14	issued under this section shall have the right, within 30 days
15	of receipt of the notice, to appeal to the Environmental Hearing
16	Board.
17	(f) Inspection reportsThe department shall post
18	inspection reports on its publicly accessible Internet website.
19	The inspection reports shall include:
20	(1) The nature and description of violations.
21	(2) The operator's written response to the violation, if
22	available.
23	(3) The status of the violation.
24	(4) The remedial steps taken by the operator or the
25	department to address the violation.
26	<u>§ 3254. Restraining violations.</u>
27	(a) General ruleIn addition to any other remedy provided
28	in this chapter, the department may institute a suit in equity
29	in the name of the Commonwealth for an injunction to restrain a

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1	orders adopted or issued under this chapter and to restrain the
2	maintenance or threat of a public nuisance. Upon motion of the
3	Commonwealth, the court shall issue a prohibitory or mandatory
4	preliminary injunction if it finds that the defendant is
5	engaging in unlawful conduct, as defined by this chapter, or
6	conduct causing immediate and irreparable harm to the public.
7	The Commonwealth shall not be required to furnish bond or other
8	security in connection with the proceeding. In addition to an
9	injunction, the court in equity may level civil penalties as
10	specified in section 3256 (relating to civil penalties).
11	(b) District attorneyIn addition to other remedies in
12	this chapter, upon relation of the district attorney of a county
13	affected, or upon relation of the solicitor of a municipality
14	affected, an action in equity may be brought in a court of
15	competent jurisdiction for an injunction to restrain a violation
16	of this chapter or rules and regulations promulgated under this
17	chapter or to restrain a public nuisance or detriment to health.
18	(c) Concurrent penaltiesPenalties and remedies under this
19	chapter shall be deemed concurrent. Existence or exercise of one
20	remedy shall not prevent the department from exercising another
21	remedy at law or in equity.
22	(d) JurisdictionActions under this section may be filed
23	in the appropriate court of common pleas or in Commonwealth
24	Court, and those courts are hereby granted jurisdiction to hear
25	actions under this section.
26	<u>§ 3255. Penalties.</u>
27	(a) General violationA person violating a provision of
28	this chapter commits a summary offense and, upon conviction,
29	shall be sentenced to pay a fine of not more than \$1,000 or to
30	imprisonment of not more than 90 days, or both. Each day during

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1	which the violation continues is a separate and distinct
2	offense.
3	(b) Willful violationA person willfully violating a
4	provision of this chapter or an order of the department issued
5	under this chapter commits a misdemeanor and, upon conviction,
6	shall be sentenced to pay a fine of not more than \$5,000 or to
7	imprisonment of not more than one year, or both. Each day during
8	which the violation continues is a separate and distinct
9	offense.
10	(c) AuthorityThe department may institute a prosecution
11	against any person or municipality for a violation of this
12	<u>chapter.</u>
13	<u>§ 3256. Civil penalties.</u>
14	In addition to other remedies available at law or in equity
15	for a violation of this chapter, a rule or regulation of the
16	department or a departmental order or a permit condition, the
17	department, after a hearing, may assess a civil penalty
18	regardless of whether the violation was willful. The penalty
19	shall not exceed \$25,000 plus \$1,000 for each day during which
20	the violation continues, or in the case of a violation arising
21	from the construction, alteration or operation of an
22	<u>unconventional well, \$75,000 plus \$5,000 for each day during</u>
23	which the violation continues. In determining the amount, the
24	department shall consider willfulness of the violation, damage
25	or injury to natural resources of this Commonwealth or their
26	uses, endangerment of safety of others, the cost of remedying
27	the harm, savings resulting to the violator as a result of the
28	violation and any other relevant factor. The penalty shall be
29	payable to the Commonwealth and collectible in any manner
30	provided at law for collection of debts. If a violator neglects

1	or refuses to pay the penalty after demand, the amount, together
2	with interest and costs that may accrue, shall become a lien in
3	favor of the Commonwealth on the real and personal property of
4	the violator, but only after the lien has been entered and
5	docketed of record by the prothonotary of the county where the
6	property is situated. The department may at any time transmit to
7	the prothonotaries of the various counties certified copies of
8	all liens. It shall be the duty of each prothonotary to enter
9	and docket the liens of record in the prothonotary's office and
10	index them as judgments are indexed, without requiring payment
11	of costs as a condition precedent to entry.
12	§ 3257. Existing rights and remedies preserved and cumulative
13	remedies authorized.
14	Nothing in this chapter estops the Commonwealth or a district
15	attorney from proceeding in a court of law or in equity to abate
16	pollution forbidden under this chapter or a nuisance under
17	existing law. It is hereby declared to be the purpose of this
18	chapter to provide additional and cumulative remedies to control
19	activities related to drilling for, or production of, oil and
20	gas in this Commonwealth, and nothing contained in this chapter
21	abridges or alters rights of action or remedies existing, or
22	which existed previously, in equity or under common or statutory
23	law, criminal or civil. Neither this chapter, the grant of a
24	permit under this chapter nor an act done by virtue of this
25	chapter estops the Commonwealth, in exercising rights under
26	common or decisional law or in equity, from suppressing a
27	nuisance, abating pollution or enforcing common law or statutory
28	rights. No court of this Commonwealth with jurisdiction to abate
29	public or private nuisances shall be deprived of jurisdiction in
30	an action to abate a private or public nuisance instituted by

1	any person on grounds that the nuisance constitutes air or water
2	pollution.
3	§ 3258. Production of materials, witnesses, depositions and
4	rights of entry.
5	(a) General ruleThe department may make inspections,
6	conduct tests or sampling or examine books, papers and records
7	pertinent to a matter under investigation under this chapter to
8	determine compliance with this chapter. For this purpose, the
9	duly authorized agents and employees of the department may at
10	all reasonable times enter and examine any involved property,
11	facility, operation or activity.
12	(b) AccessThe owner, operator or other person in charge
13	of a property, facility, operation or activity under this
14	chapter, upon presentation of proper identification and purpose
15	for inspection by agents or employees of the department, shall
16	provide free and unrestricted entry and access. Upon refusal,
17	the agent or employee may obtain a search warrant or other
18	suitable order authorizing entry and inspection. It shall be
19	sufficient to justify issuance of a search warrant authorizing
20	examination and inspection if:
21	(1) there is probable cause to believe that the object
22	of the investigation is subject to regulation under this
23	chapter; and
24	(2) access, examination or inspection is necessary to
25	enforce the provisions of this chapter.
26	(c) WitnessesIn any part of this Commonwealth, the
27	department may subpoena witnesses, administer oaths, examine
28	witnesses, take testimony and compel production of books,
29	records, maps, plats, papers, documents and other writings
30	pertinent to proceedings or investigations conducted by the
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1	<u>department under this chapter. Upon refusal to obey a subpoena</u>
2	by any person and on application of the department, a court may
3	enforce a subpoena in contempt proceedings. Fees for serving a
4	subpoena shall be the same as those paid to sheriffs for similar
5	services.
6	(d) DepositionThe department or a party to a proceeding
7	before the department may cause the deposition of a witness who
8	resides in or outside of this Commonwealth to be taken in the
9	manner prescribed by law for taking depositions in civil
10	actions.
11	(e) Witness feeWitnesses summoned before the department
12	shall be paid the same fees as are paid to witnesses in courts
13	of record of general jurisdiction. Witnesses whose depositions
14	are taken under this chapter, and the officers taking those
15	depositions, shall be entitled to the same fees as those paid
16	for like services in court.
17	(f) PurchasersUpon request, a purchaser of oil or gas
18	shall provide the department information necessary to determine
19	ownership of facilities from which the purchaser obtained oil or
20	gas. The information shall be kept confidential for a period of
21	five years and the department may utilize it in enforcement
22	proceedings. The department may request information under this
23	section only when a well does not comply with section 3211(h)
24	(relating to well permits).
25	<u>§ 3259. Unlawful conduct.</u>
26	It shall be unlawful for any person to:
27	(1) Drill, alter, operate or utilize an oil or gas well
28	without a permit or registration from the department as
29	required by this chapter or in violation of rules or
30	regulations adopted under this chapter, orders of the

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1	department or a term or condition of a permit issued by the
2	<u>department.</u>
3	(2) Conduct an activity related to drilling for, or
4	production of, oil and gas:
5	(i) contrary to this chapter, rules or regulations
6	adopted under this chapter, an order of the department or
7	a term or condition of a permit issued by the department;
8	or
9	(ii) in any manner as to create a public nuisance or
10	adversely affect public health, safety, welfare or the
11	environment.
12	(3) Refuse, obstruct, delay or threaten an agent or
13	employee of the department acting in the course of lawful
14	performance of a duty under this chapter, including, but not
15	limited to, entry and inspection.
16	(4) Attempt to obtain a permit or identify a well as an
17	orphan well by misrepresentation or failure to disclose all
18	<u>relevant facts.</u>
19	(5) Cause abandonment of a well by removal of casing or
20	equipment necessary for production without plugging the well
21	in the manner prescribed under section 3220 (relating to
22	plugging requirements), except that the owner or operator of
23	a well may temporarily remove casing or equipment necessary
24	for production, but only if it is part of the normal course
25	of production activities.
26	<u>§ 3260. Collection of fines and penalties.</u>
27	Fines and penalties shall be collectible in a manner provided
28	by law for collection of debts. If a person liable to pay a
29	penalty neglects or refuses to pay after demand, the amount,
30	together with interest and costs that may accrue, shall be a

1	judgment in favor of the Commonwealth on the person's property,
2	but only after the judgment has been entered and docketed of
3	record by the prothonotary of the county where the property is
4	situated. The department may transmit to prothonotaries of the
5	various counties certified copies of all judgments, and it shall
6	be the duty of each prothonotary to enter and docket them of
7	record in the prothonotary's office and index them as judgments
8	are indexed, without requiring payment of costs as a condition
9	precedent to entry.
10	<u>§ 3261. Third-party liability.</u>
11	If a person other than a well operator renders a service or
12	product to a well or well site, that person is jointly and
13	severally liable with the well owner or operator for violations
14	of this chapter arising out of and caused by the person's
15	actions at the well or well site.
16	SUBCHAPTER F
16 17	<u>SUBCHAPTER</u> F (RESERVED)
17	(RESERVED)
17 18	<u>(RESERVED)</u> SUBCHAPTER G
17 18 19	<u>(RESERVED)</u> <u>SUBCHAPTER G</u> <u>MISCELLANEOUS PROVISIONS</u>
17 18 19 20	(RESERVED) SUBCHAPTER G MISCELLANEOUS PROVISIONS Sec.
17 18 19 20 21	(RESERVED) SUBCHAPTER G MISCELLANEOUS PROVISIONS Sec. 3291. Well plugging funds.
17 18 19 20 21 22	(RESERVED) <u>SUBCHAPTER G</u> <u>MISCELLANEOUS PROVISIONS</u> <u>Sec.</u> <u>3291. Well plugging funds.</u> <u>3292. Local ordinances.</u>
17 18 19 20 21 22 23	(RESERVED) SUBCHAPTER G MISCELLANEOUS PROVISIONS Sec. 3291. Well plugging funds. 3292. Local ordinances. 3293. Effect on department authority.
17 18 19 20 21 22 23 24	(RESERVED) SUECHAPTER G MISCELLANEOUS PROVISIONS Sec. 3291. Well plugging funds. 3292. Local ordinances. 3293. Effect on department authority. 3294. Relationship to solid waste and surface mining.
17 18 19 20 21 22 23 24 25	(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.
17 18 19 20 21 22 23 24 25 26	(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.
17 18 19 20 21 22 23 24 25 26 27	(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) AppropriationFines, civil penalties and permit and

1	the cost of plugging abandoned wells, a \$50 surcharge is added
2	to the permit fee established by the department under section
3	3211 (relating to well permits) for new wells. Money collected
4	as a result of the surcharge shall be paid into a restricted
5	revenue account in the State Treasury to be known as the
6	Abandoned Well Plugging Fund and expended by the department to
7	plug abandoned wells threatening the health and safety of
8	persons or property or pollution of waters of this Commonwealth.
9	(c) Orphan Well Plugging FundThe following shall apply:
10	(1) A restricted revenue account to be known as the
11	<u>Orphan Well Plugging Fund is created. A \$100 surcharge for</u>
12	wells to be drilled for oil production and a \$200 surcharge
13	for wells to be drilled for gas production are added to the
14	permit fee established by the department under section 3211
15	for new wells. The surcharges shall be placed in the Orphan
16	Well Plugging Fund and expended by the department to plug
17	orphan wells. If an operator rehabilitates a well abandoned
18	by another operator or an orphan well, the permit fee and the
19	surcharge for the well shall be waived.
20	(2) The department shall study its experience in
21	implementing this section and shall report its findings to
22	the Governor and the General Assembly by August 1, 1992. The
23	report shall contain information relating to the balance of
24	the fund, number of wells plugged, number of identified wells
25	eligible for plugging and recommendations as to alternative
26	funding mechanisms.
27	(3) Expenditures by the department for plugging orphan
28	wells are limited to fees collected under this chapter. No
29	money from the General Fund shall be expended for this
30	purpose.

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1 § 3292. Local ordinances.

2	Except with respect to ordinances adopted under the act of
3	July 31, 1968 (P.L.805, No.247), known as the Pennsylvania
4	Municipalities Planning Code, the act of October 4, 1978
5	(P.L.851, No.166), known as the Flood Plain Management Act, and
6	the act of March 31, 1927 (P.L.98, No.69), referred to as the
7	Second Class City Zoning Law, local ordinances and enactments
8	purporting to regulate oil and gas well operations regulated by
9	this chapter are preempted and superseded by this chapter to the
10	extent the ordinances and enactments regulate the method of oil
11	and gas well operations. No ordinances or enactments adopted
12	under those acts shall impose conditions, requirements or
13	limitations on the method of oil and gas well operations
14	regulated by this chapter or attempt to accomplish the purposes
15	of this chapter. Nothing in this chapter shall affect the
16	traditional power of local government to regulate zoning and
17	land development of oil and gas activities as well as other
18	aspects, such as the time and the place of operations to protect
19	the health, safety and welfare of the general public through
20	local ordinances and enactments THAT ARE INCONSISTENT WITH THIS
21	PART.
22	<u>§ 3293. Effect on department authority.</u>
23	This chapter does not affect, limit or impair any right or
24	authority of the department under the act of June 22, 1937_
25	(P.L.1987, No.394), known as The Clean Streams Law, the act of
26	January 8, 1960 (1959 P.L.2119, No.787), known as the Air
27	Pollution Control Act, the act of November 26, 1978 (P.L.1375,
28	No.325), known as the Dam Safety and Encroachments Act or the
29	act of July 7, 1980 (P.L.380, No.97), known as the Solid Waste
30	Management Act.

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1	§ 3294. Relationship to solid waste and surface mining.
2	(a) General ruleThe obligation to obtain a permit and
3	post a bond under Articles III and V of the act of July 7, 1980
4	(P.L.380, No.97), known as the Solid Waste Management Act, and
5	to provide public notice under section 1905-A(b)(1)(v) of the
6	act of April 9, 1929 (P.L.177, No.175), known as The
7	Administrative Code of 1929, for any pit, impoundment, method or
8	facility employed for the disposal, processing or storage of
9	residual wastes generated by the drilling of an oil or gas well
10	or from the production of wells which is located on the well
11	site, shall be considered to have been satisfied if the owner or
12	operator of the well meets the following conditions:
13	(1) the well is permitted under the requirements of
14	section 3211 (relating to well permits) or registered under
15	section 3213 (relating to well registration and
16	<pre>identification);</pre>
17	(2) the owner or operator has satisfied the financial
18	security requirements of section 3215 (relating to well
19	location restrictions) 3225 (RELATING TO BONDING) by
20	obtaining a surety or collateral bond for the well and well
21	site; and
22	(3) the owner or operator maintains compliance with this
23	chapter and applicable regulations of the Environmental
24	Quality Board.
25	(b) Noncoal surface miningObligations under the act of
26	December 19, 1984 (P.L.1093, No.219), known as the Noncoal
27	Surface Mining Conservation and Reclamation Act, or a rule or
28	regulation promulgated thereunder, for any borrow area where
29	minerals are extracted solely for the purpose of oil and gas
30	well development, including access road construction, shall be
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1	<u>considered to have been satisfied if the owner or operator of</u>
2	the well meets the conditions imposed under subsection (a)(1)
3	and (2) and maintains compliance with this chapter and
4	applicable regulations of the Environmental Quality Board.
5	(c) Solid Waste Management ActThis section does not
6	diminish or otherwise affect duties or obligations of an owner
7	or operator under the Solid Waste Management Act. This section
8	does not apply to waste classified as hazardous waste under the
9	Solid Waste Management Act or the Resource Conservation and
10	<u>Recovery Act of 1976 (Public Law 94-580, 90 Stat. 2795, 42</u>
11	<u>U.S.C. § 6901 et seq.).</u>
12	(d) DefinitionAs used in this section and sections 3216
13	(relating to well site restoration) and 3225 (relating to
14	bonding), the term "well site" means areas occupied by all
15	equipment or facilities necessary for or incidental to drilling,
16	production or plugging a well.
17	<u>§ 3295. Regulatory authority.</u>
18	The Environmental Quality Board shall adopt regulations to
19	implement this chapter.
19 20	implement this chapter. <u>CHAPTER 33</u>
20	<u>CHAPTER-33</u>
20 21	<u>CHAPTER 33</u> MODEL ORDINANCE
20 21 22	<u>CHAPTER 33</u> <u>MODEL ORDINANCE</u> <u>Sec.</u>
20 21 22 23	<u>CHAPTER 33</u> <u>MODEL ORDINANCE</u> <u>Sec.</u> <u>3301. Model municipal ordinance.</u>
20 21 22 23 24	<u>CHAPTER 33</u> <u>MODEL ORDINANCE</u> <u>Sec.</u> <u>3301. Model municipal ordinance.</u> <u>3302. Local ordinance.</u>
20 21 22 23 24 25	<u>CHAPTER 33</u> <u>MODEL ORDINANCE</u> <u>Sec.</u> <u>3301. Model municipal ordinance.</u> <u>\$ 3301. Model municipal ordinance.</u>
20 21 22 23 24 25 26	<u>CHAPTER 33</u> <u>MODEL ORDINANCE</u> <u>Sec.</u> <u>3301. Model municipal ordinance.</u> <u>3302. Local ordinance.</u> <u>\$ 3301. Model municipal ordinance.</u> <u>(a) Purposes. The purposes of this section are as follows:</u>
20 21 22 23 24 25 26 27	CHAPTER 33         MODEL ORDINANCE         Sec.         3301. Model municipal ordinance.         3301. Model municipal ordinance.         (a) Purposes. The purposes of this section are as follows:         (1) To optimize the development and use of this.

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1	municipal oil and gas permitting procedures.
2	(3) To allow municipalities to enact regulations under
3	the act of July 31, 1968 (P.L.805, No.247), known as the
4	Pennsylvania Municipalities Planning Code, and the act of
5	October 4, 1978 (P.L.851, No.166), known as the Flood Plain
6	Management Act, insofar as the regulation is authorized by
7	section 3302 (relating to local ordinance) and this section.
8	(b) Authority. The commission shall develop and adopt a
9	model ordinance to fulfill the purposes of this section.
10	(c) Adoption of provisions.
11	(1) Within 120 days of the effective date of this
12	section, the commission shall, by majority vote, adopt a
13	model ordinance for counties and municipalities pertaining to
14	oil and gas drilling activities in accordance with the
15	Pennsylvania Municipalities Planning Code, as applicable, the
16	Flood Plain Management Act and this section.
16 17	Flood Plain Management Act and this section.
17	(2) The model zoning ordinance shall do all of the
17 18	(2) The model zoning ordinance shall do all of the following:
17 18 19	<u>(2) The model zoning ordinance shall do all of the</u> <u>following:</u> <u>(i) Authorize oil and gas development as a permitted</u>
17 18 19 20	<u>(2) The model zoning ordinance shall do all of the</u> <u>following:</u> <u>(i) Authorize oil and gas development as a permitted</u> <u>use by right in all zoning districts except residential</u>
17 18 19 20 21	<u>(2) The model zoning ordinance shall do all of the</u> <u>following:</u> <u>(i) Authorize oil and gas development as a permitted</u> <u>use by right in all zoning districts except residential</u> <u>districts. The commission may develop a model zoning</u>
17 18 19 20 21 22	<u>(2) The model zoning ordinance shall do all of the</u> <u>following:</u> <u>(i) Authorize oil and gas development as a permitted</u> <u>use by right in all zoning districts except residential</u> <u>districts. The commission may develop a model zoning</u> <u>ordinance that allows oil and gas development in</u>
17 18 19 20 21 22 23	(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
17 18 19 20 21 22 23 24	(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
17 18 19 20 21 22 23 24 25	(2) The model zoning ordinance shall do all of the following: <u>(i) Authorize oil and gas development as a permitted</u> <u>use by right in all zoning districts except residential</u> <u>districts. The commission may develop a model zoning</u> <u>ordinance that allows oil and gas development in</u> <u>residential zoning districts by conditional use or</u> <u>special exception with conditions dependent on the</u> <u>density of existing uses within the district and the</u>
17 18 19 20 21 22 23 24 25 26	(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
17 18 19 20 21 22 23 24 25 26 27	(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
17 18 19 20 21 22 23 24 25 26 27 28	(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.

1	and
2	(B) as a conditional use in all other zoning
3	districts.
4	(iii) Authorize natural gas processing plants:
5	(A) as a permitted use by right in all
6	industrial districts; and
7	(B) as a conditional use or special exception in
8	<u>agricultural districts.</u>
9	(3) The model zoning ordinance shall not do any of the
10	following:
11	(i) Impose limitations on the hours of operation on
12	drilling operations.
13	(ii) Impose limitations on noise, light, height or
14	security or fencing on drilling operations, natural gas
15	compressor stations or natural gas processing plants if
16	the limitations are more stringent than limitations
17	imposed on construction activities for other similar land
18	uses. The model zoning ordinance may include limitations
19	on noise, light, height and security and fencing for
20	equipment or processes which are unique to the gas
21	industry and which are rational, nondiscriminatory and
22	reasonably defensible in the particular zone where they
23	apply.
24	(iii) Have a permit review period for uses by right
25	that exceeds 30 days for complete and responsive
26	submissions.
27	(iv) Impose restrictions on vehicular access routes
28	for overweight vehicles except as authorized under:
29	(A) 75 Pa.C.S. (relating to vehicles); or
30	(B) the Pennsylvania Municipalities Planning

1	<u>Code.</u>
2	(v) Regulate storm water, erosion and sedimentation
3	control or grading where the use is subject to regulation
4	by the department through an Erosion and Sedimentation
5	<u>Control General Permit or similar permit.</u>
6	(4) Nothing in this subsection shall limit or preempt a
7	county or municipality from action pursuant to the act of
8	October 4, 1978 (P.L.864, No.167), known as the Storm Water
9	Management Act.
10	(d) Effect of model ordinance. An ordinance adopted by a
11	county or municipality to regulate oil and gas shall not contain
12	more stringent standards than the model ordinance adopted by the
13	<u>commission.</u>
14	(e) Timing. The commission shall publish the adopted model
15	ordinance in the Pennsylvania Bulletin immediately after its
16	adoption and shall disseminate information about the model
17	ordinance through the Department of Community and Economic
18	Development, municipal associations and other means as the
19	commission shall deem appropriate. The costs of the notification
20	shall be borne by the Department of Community and Economic
21	Development.
22	(f) Miscellaneous The commission shall review the model
23	ordinance annually. Proposed amendments shall be published in
24	the Pennsylvania Bulletin within 30 days after their adoption.
25	(g) Ordinance(Reserved).
26	(h) Effective date of model ordinance. The model ordinance
27	shall take effect 70 days following the commission's publication
28	of the ordinance in the Pennsylvania Bulletin under this
29	section.
30	<u>§ 3302. Local ordinance.</u>

1	<u>Nothing in this chapter shall impair or infringe upon the</u>
2	preemption or supersedure of the regulation of gas wells under
3	section 602 of the act of December 19, 1984 (P.L.1140, No.223),
4	known as the Oil and Gas Act.
5	CHAPTER 33
6	LOCAL ORDINANCES RELATING TO
7	OIL AND GAS OPERATIONS
8	SEC.
9	3301. SCOPE OF CHAPTER.
10	3302. DEFINITIONS.
11	3303. LOCAL ORDINANCES.
12	3304. REVIEW BY ATTORNEY GENERAL.
13	3305. CIVIL ACTIONS.
14	3306. COMMONWEALTH COURT MASTERS.
15	3307. ATTORNEY FEES AND COSTS.
16	3308. SANCTION.
17	3309. PROVISIONS OF LOCAL ORDINANCES.
18	3310. APPLICABILITY.
19	<u>§ 3301. SCOPE OF CHAPTER.</u>
20	THE PURPOSES OF THIS CHAPTER ARE TO:
21	(1) ALLOW MUNICIPALITIES TO EFFICIENTLY REGULATE OIL AND
22	GAS OPERATIONS CONSISTENT WITH THEIR AUTHORITY UNDER THE ACT_
23	OF JULY 31, 1968 (P.L.805, NO.247), KNOWN AS THE PENNSYLVANIA
24	MUNICIPALITIES PLANNING CODE.
25	(2) FOSTER THE EXPEDITIOUS AND EFFICIENT HANDLING OF
26	MUNICIPAL OIL AND GAS PROCEDURES.
27	(3) CLARIFY THE ROLE OF ALL FEDERAL AND STATE AGENCIES
28	AND MUNICIPAL GOVERNMENTS WITH REGARD TO OIL AND GAS
29	DEVELOPMENT ACTIVITIES.

30 <u>§ 3302. DEFINITIONS.</u>

1	THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
2	SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
3	CONTEXT CLEARLY INDICATES OTHERWISE:
4	"BUILDING." AN OCCUPIED STRUCTURE WITH WALLS AND ROOF WITHIN
5	WHICH INDIVIDUALS LIVE OR CUSTOMARILY WORK.
6	"ENVIRONMENT ACTS." ALL STATUTES ENACTED BY THE COMMONWEALTH
7	RELATING TO THE PROTECTION OF THE ENVIRONMENT OR THE PROTECTION
8	OF PUBLIC HEALTH, SAFETY AND WELFARE, THAT ARE ADMINISTERED AND
9	ENFORCED BY THE DEPARTMENT OR BY ANOTHER COMMONWEALTH AGENCY,
10	INCLUDING AN INDEPENDENT AGENCY, AND ALL FEDERAL STATUTES
11	RELATING TO THE PROTECTION OF THE ENVIRONMENT, TO THE EXTENT
12	THOSE STATUTES REGULATE OIL AND GAS OPERATIONS.
13	"LOCAL GOVERNMENT." A COUNTY, CITY, BOROUGH, INCORPORATED
14	TOWN OR TOWNSHIP OF THIS COMMONWEALTH.
15	"LOCAL ORDINANCE." AN ORDINANCE ADOPTED BY A LOCAL
16	GOVERNMENT THAT REGULATES OIL AND GAS OPERATIONS.
17	"MPC." THE ACT OF JULY 31, 1968 (P.L.805, NO.247), KNOWN AS
18	THE PENNSYLVANIA MUNICIPALITIES PLANNING CODE.
19	"OIL AND GAS OPERATIONS." THE TERM INCLUDES THE FOLLOWING:
20	(1) WELL LOCATION ASSESSMENT, INCLUDING SEISMIC
21	OPERATIONS, WELL SITE PREPARATION, CONSTRUCTION, DRILLING,
22	HYDRAULIC FRACTURING AND SITE RESTORATION ASSOCIATED WITH AN
23	OIL OR GAS WELL OF ANY DEPTH;
24	(2) WATER AND OTHER FLUID STORAGE OR IMPOUNDMENT AREAS
25	USED EXCLUSIVELY FOR OIL AND GAS OPERATIONS;
26	(3) CONSTRUCTION, INSTALLATION, USE, MAINTENANCE AND
27	REPAIR OF:
28	(I) OIL AND GAS PIPELINES;
29	(II) NATURAL GAS COMPRESSOR STATIONS; AND
30	(III) NATURAL GAS PROCESSING PLANTS OR FACILITIES

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1	PERFORMING EQUIVALENT FUNCTIONS; AND
2	(4) CONSTRUCTION, INSTALLATION, USE, MAINTENANCE AND
3	REPAIR OF ALL EQUIPMENT DIRECTLY ASSOCIATED WITH ACTIVITIES
4	SPECIFIED IN PARAGRAPHS (1), (2) AND (3), TO THE EXTENT THAT:
5	(I) THE EQUIPMENT IS NECESSARILY LOCATED AT OR
6	IMMEDIATELY ADJACENT TO A WELL SITE, IMPOUNDMENT AREA,
7	OIL AND GAS PIPELINE, NATURAL GAS COMPRESSOR STATION OR
8	NATURAL GAS PROCESSING PLANT; AND
9	(II) THE ACTIVITIES ARE AUTHORIZED AND PERMITTED
10	UNDER THE AUTHORITY OF A FEDERAL OR COMMONWEALTH AGENCY.
11	"PERMITTED USE." A USE WHICH, UPON SUBMISSION OF NOTICE TO
12	AND RECEIPT OF A PERMIT ISSUED BY A ZONING OFFICER OR EQUIVALENT
13	OFFICIAL, IS AUTHORIZED TO BE CONDUCTED WITHOUT RESTRICTIONS
14	OTHER THAN THOSE SET FORTH IN SECTION 3309 (RELATING TO
15	PROVISIONS OF LOCAL ORDINANCES).
16	<u>§ 3303. LOCAL ORDINANCES.</u>
17	(A) GENERAL RULEA LOCAL ORDINANCE MAY ONLY BE ENACTED
18	PURSUANT TO THE MPC, THE ACT OF MARCH 31, 1927 (P.L.98, NO.69),
19	REFERRED TO AS THE SECOND CLASS CITY ZONING LAW, OR THE ACT OF
20	OCTOBER 4, 1978 (P.L.851, NO.166), KNOWN AS THE FLOOD PLAIN
21	MANAGEMENT ACT, AS APPLICABLE, AND SHALL PROVIDE FOR THE
22	REASONABLE DEVELOPMENT OF MINERALS WITHIN THE LOCAL GOVERNMENT
23	IN ACCORDANCE WITH THE PROVISIONS OF SECTION 603(I) OF THE MPC
24	AND THIS CHAPTER.
25	(B) LIMITATIONEXCEPT AS PROVIDED IN THIS CHAPTER, A LOCAL
26	ORDINANCE SHALL NOT CONFLICT WITH AND SHALL NOT REGULATE OIL AND
27	GAS OPERATIONS COVERED BY THE ENVIRONMENT ACTS, EXCEPT TO THE
28	EXTENT THAT THE ENVIRONMENT ACTS PROVIDE THE AUTHORITY.
29	(C) CONSTRUCTION NOTHING IN THIS CHAPTER SHALL BE
30	CONSTRUED TO IMPAIR OR INFRINGE ON THE PREEMPTION PROVISIONS OF

1 <u>SECTION 3292 (RELATING TO LOCAL ORDINANCES).</u>

2 <u>§ 3304. REVIEW BY ATTORNEY GENERAL.</u>

2	<u>y Jour. Neview di Attonnet General.</u>
3	(A) REQUEST OF OWNER OR OPERATOR AN OWNER OR OPERATOR OF
4	AN OIL AND GAS OPERATION, OR ANY PERSON HAVING THE RIGHT TO
5	ROYALTY PAYMENTS UNDER A LEASE OF OIL OR GAS MINERAL RIGHTS, MAY
6	REQUEST THE ATTORNEY GENERAL TO REVIEW A LOCAL ORDINANCE TO
7	DETERMINE WHETHER IT ALLOWS FOR THE REASONABLE DEVELOPMENT OF
8	OIL AND GAS RESOURCES IN ACCORDANCE WITH THE PROVISIONS
9	SPECIFICALLY ADDRESSED IN THIS CHAPTER, CHAPTER 32 (RELATING TO
10	REGULATION), THE MPC AND JUDICIAL DECISIONS OF THE COMMONWEALTH.
11	(B) PREENACTMENT REVIEWA LOCAL GOVERNMENT MAY, PRIOR TO
12	THE ENACTMENT OF A LOCAL ORDINANCE, REQUEST THE ATTORNEY GENERAL
13	TO REVIEW THE ORDINANCE TO DETERMINE WHETHER IT ALLOWS FOR THE
14	REASONABLE DEVELOPMENT OF OIL AND GAS RESOURCES IN ACCORDANCE
15	WITH THE PROVISIONS OF THIS CHAPTER, CHAPTER 32, THE MPC AND
16	JUDICIAL DECISIONS OF THE COMMONWEALTH.
17	(C) TIME PERIOD FOR REVIEWWITHIN 120 DAYS OF RECEIVING A
18	REQUEST UNDER SUBSECTION (A) OR (B), THE ATTORNEY GENERAL SHALL
19	ADVISE IN WRITING THE PERSON THAT MADE THE REQUEST WHETHER OR
20	NOT THE ATTORNEY GENERAL DETERMINES THAT THE LOCAL ORDINANCE
21	PROVIDES FOR THE REASONABLE DEVELOPMENT OF OIL AND GAS RESERVES
22	AND PROVIDE A COPY OF THE WRITTEN DETERMINATION TO THE AFFECTED
23	LOCAL GOVERNMENT.
24	<u>§ 3305. CIVIL ACTIONS.</u>
25	(A) ATTORNEY GENERALTHE ATTORNEY GENERAL MAY BRING AN
26	ACTION AGAINST A LOCAL GOVERNMENT IN COMMONWEALTH COURT TO
27	INVALIDATE OR ENJOIN THE ENFORCEMENT OF A LOCAL ORDINANCE THAT
28	DOES NOT ALLOW FOR THE REASONABLE DEVELOPMENT OF OIL AND GAS
29	RESOURCES.
30	(B) PRIVATE RIGHT OF ACTION

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1	(1) NOTWITHSTANDING ANY PROVISION OF 42 PA.C.S. CH. 85
2	SUBCH. C (RELATING TO ACTIONS AGAINST LOCAL PARTIES), ANY
3	PERSON WHO IS AGGRIEVED BY THE ENACTMENT OR ENFORCEMENT OF A
4	LOCAL ORDINANCE THAT DOES NOT ALLOW FOR THE REASONABLE
5	DEVELOPMENT OF OIL AND GAS RESOURCES IN ACCORDANCE WITH THE
6	PROVISIONS OF SECTION 3292 (RELATING TO LOCAL ORDINANCES) MAY
7	BRING AN ACTION IN COMMONWEALTH COURT TO INVALIDATE THE
8	ORDINANCE OR ENJOIN ITS ENFORCEMENT.
9	(2) AN AGGRIEVED PERSON MAY PROCEED WITHOUT FIRST
10	OBTAINING REVIEW OF THE ORDINANCE BY THE ATTORNEY GENERAL OR
11	MAY PROCEED AFTER RECEIVING SUCH REVIEW IF THE ATTORNEY
12	GENERAL DETERMINES THAT THE ORDINANCE FAILS TO COMPLY WITH
13	THIS CHAPTER BUT DECLINES TO BRING AN ACTION UNDER SUBSECTION
14	<u>(A)</u> .
15	(3) IN AN ACTION BROUGHT RELATING TO THE ENACTMENT OR
16	ENFORCEMENT OF A LOCAL ORDINANCE, THE DETERMINATION OF THE
17	ATTORNEY GENERAL MADE UNDER SECTION 3304 (RELATING TO REVIEW
18	BY ATTORNEY GENERAL) SHALL BECOME PART OF THE RECORD BEFORE
19	THE COURT.
20	§ 3306. COMMONWEALTH COURT MASTERS.
21	(A) GENERAL RULE THE COMMONWEALTH COURT MAY PROMULGATE
22	RULES FOR THE SELECTION AND APPOINTMENT OF MASTERS ON A FULL-
23	TIME OR PART-TIME BASIS TO OVERSEE ACTIONS BROUGHT UNDER SECTION
24	3305 (RELATING TO CIVIL ACTIONS). A MASTER MUST BE A MEMBER OF
25	THE BAR OF THIS COMMONWEALTH. THE NUMBER AND COMPENSATION OF
26	MASTERS SHALL BE FIXED BY THE COMMONWEALTH COURT, AND THEIR
27	COMPENSATION SHALL BE PAID BY THE COMMONWEALTH.
28	(B) PROCEDURE
29	(1) THE COMMONWEALTH COURT MAY DIRECT THAT A HEARING IN
30	AN ACTION BROUGHT UNDER SECTION 3305 BE CONDUCTED IN THE

1	FIRST INSTANCE BY THE MASTER IN THE MANNER PROVIDED FOR IN
2	THIS SECTION.
3	(2) UPON THE CONCLUSION OF A HEARING BEFORE A MASTER,
4	THE MASTER SHALL TRANSMIT WRITTEN FINDINGS AND
5	RECOMMENDATIONS FOR DISPOSITION TO THE PRESIDENT JUDGE.
6	PROMPT WRITTEN NOTICE AND COPIES OF THE FINDINGS AND
7	RECOMMENDATIONS SHALL BE GIVEN TO THE PARTIES TO THE
8	PROCEEDING.
9	(3) THE FINDINGS AND RECOMMENDATIONS OF THE MASTER SHALL
10	BECOME THE FINDINGS AND ORDER OF THE COMMONWEALTH COURT UPON
11	WRITTEN CONFIRMATION BY THE PRESIDENT JUDGE. A REHEARING MAY
12	BE ORDERED BY THE PRESIDENT JUDGE AT ANY TIME UPON CAUSE
13	SHOWN.
14	§ 3307. ATTORNEY FEES AND COSTS.
15	IN AN ACTION BROUGHT UNDER SECTION 3305 (RELATING TO CIVIL
16	ACTIONS), THE COURT MAY DO ANY OF THE FOLLOWING:
17	(1) IF THE COURT DETERMINES THAT THE LOCAL GOVERNMENT
18	ENACTED OR ENFORCED A LOCAL ORDINANCE WITH WILLFUL OR
19	RECKLESS DISREGARD FOR THE LIMITATION OF AUTHORITY
20	ESTABLISHED UNDER STATE LAW, IT MAY ORDER THE LOCAL
21	GOVERNMENT TO PAY THE PLAINTIFF REASONABLE ATTORNEY FEES AND
22	OTHER REASONABLE COSTS INCURRED BY THE PLAINTIFF IN
23	CONNECTION WITH THE ACTION.
24	(2) IF THE COURT DETERMINES THAT THE ACTION BROUGHT BY
25	THE PLAINTIFF WAS FRIVOLOUS OR WAS BROUGHT WITHOUT
26	SUBSTANTIAL JUSTIFICATION IN CLAIMING THAT THE LOCAL
27	ORDINANCE IN QUESTION WAS CONTRARY TO THE REQUIREMENTS OF
28	THIS CHAPTER OR CHAPTER 32 (RELATING TO REGULATIONS), THE OIL
28 29	THIS CHAPTER OR CHAPTER 32 (RELATING TO REGULATIONS), THE OIL AND GAS ACT, IT MAY ORDER THE PLAINTIFF TO PAY THE LOCAL

1	COSTS INCURRED BY THE LOCAL GOVERNMENT IN DEFENDING THE
2	ACTION.
3	<u>§ 3308. SANCTION.</u>
4	IF THE ATTORNEY GENERAL, THE COMMONWEALTH COURT OR THE
5	SUPREME COURT DETERMINES THAT A LOCAL ORDINANCE FAILS TO PROVIDE
6	FOR THE REASONABLE DEVELOPMENT OF OIL AND GAS RESOURCES, THE
7	LOCAL GOVERNMENT ENACTING OR ENFORCING THE LOCAL ORDINANCE SHALL
8	BE IMMEDIATELY INELIGIBLE TO RECEIVE ANY FUNDS COLLECTED UNDER
9	CHAPTER 23 (RELATING TO DRILLING IMPACT FEE). THE LOCAL
10	GOVERNMENT SHALL REMAIN INELIGIBLE TO RECEIVE FUNDS UNDER
11	CHAPTER 23 UNTIL THE LOCAL GOVERNMENT AMENDS OR REPEALS ITS
12	LOCAL ORDINANCE IN ACCORDANCE WITH THIS CHAPTER.
13	§ 3309. PROVISIONS OF LOCAL ORDINANCES.
14	IN ORDER TO ALLOW FOR THE REASONABLE DEVELOPMENT OF OIL AND
15	GAS RESOURCES, A LOCAL ORDINANCE MUST, IN ADDITION TO COMPLYING
16	WITH THIS CHAPTER, CHAPTER 32 (RELATING TO REGULATIONS) THE OIL
17	AND GAS ACT, THE MPC AND JUDICIAL DECISIONS OF THE COMMONWEALTH:
18	(1) ALLOW WELL AND PIPELINE LOCATION ASSESSMENT
19	OPERATIONS, INCLUDING SEISMIC OPERATIONS AND RELATED
20	ACTIVITIES CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE
21	FEDERAL AND STATE LAWS AND REGULATIONS RELATING TO THE
22	STORAGE AND USE OF EXPLOSIVES THROUGHOUT EVERY LOCAL
23	GOVERNMENT.

24 (2) IMPOSE CONDITIONS, REQUIREMENTS OR LIMITATIONS ON

25 OIL AND GAS OPERATIONS THAT ARE NO MORE STRINGENT THAN

26 <u>SIMILAR CONDITIONS, REQUIREMENTS OR LIMITATIONS IMPOSED ON</u>

27 <u>CONSTRUCTION ACTIVITIES FOR OTHER LAND DEVELOPMENT WITHIN THE</u>

28 ZONING DISTRICT WHERE THE OIL AND GAS OPERATIONS ARE

29 <u>SITUATED.</u>

30 (3) IMPOSE CONDITIONS, REQUIREMENTS OR LIMITATIONS ON

1	THE HEIGHT OF PERMANENT STRUCTURES, SETBACKS FROM PROPERTY
2	LINES, SCREENING AND FENCING, LIGHTING AND NOISE RELATING TO
3	OIL AND GAS OPERATIONS THAT ARE NO MORE STRINGENT THAN
4	SIMILAR CONDITIONS, REQUIREMENTS OR LIMITATIONS IMPOSED ON
5	INDUSTRIAL USES OR WHAT IS ALLOWED WITHIN THE PARTICULAR
6	ZONING DISTRICT WITHIN THE LOCAL GOVERNMENT WHERE THE OIL AND
7	GAS OPERATIONS ARE SITUATED OR STIPULATED IN OR SET FORTH IN
8	STATE STATUTE OR REGULATIONS PERTAINING TO OIL AND GAS
9	OPERATIONS.
10	(4) HAVE A REVIEW PERIOD FOR PERMITTED USES THAT DOES
11	NOT EXCEED 30 DAYS FOR COMPLETE SUBMISSIONS OR THAT EXCEEDS
12	120 DAYS FOR CONDITIONAL USES.
13	(5) AUTHORIZE OIL AND GAS OPERATIONS, OTHER THAN
14	ACTIVITIES IN OR AT IMPOUNDMENT AREAS, COMPRESSOR STATIONS
15	AND PROCESSING PLANTS, AS A PERMITTED USE IN ALL ZONING
16	DISTRICTS.
17	(5.1) NOTWITHSTANDING SECTION 3215 (RELATING TO WELL
18	LOCATION RESTRICTIONS) THE OIL AND GAS OPERATIONS UNDER
19	PARAGRAPH (5) MAY BE PROHIBITED, OR PERMITTED ONLY AS A
20	CONDITIONAL USE WITHIN A RESIDENTIAL DISTRICT WHERE A WELL
21	SITE CANNOT BE PLACED SO THAT THE WELLHEAD IS AT LEAST 500
22	FEET FROM ANY EXISTING BUILDING. IN A RESIDENTIAL DISTRICT,
23	ALL OF THE FOLLOWING APPLY:
24	(I) A WELL SITE MAY NOT BE LOCATED SO THAT THE OUTER
25	EDGE OF THE WELL PAD IS CLOSER THAN 300 FEET FROM AN
26	EXISTING BUILDING.
27	(II) EXCEPT AS SET FORTH IN PARAGRAPH (5) AND IN
28	THIS PARAGRAPH, OIL AND GAS OPERATIONS, OTHER THAN THE
29	PLACEMENT, USE AND REPAIR OF OIL AND GAS PIPELINES, WATER
30	PIPELINES, ACCESS ROADS OR SECURITY STRUCTURES AND

1	FENCING, MAY NOT TAKE PLACE WITHIN 300 FEET OF AN
2	EXISTING BUILDING.
3	(6) AUTHORIZE IMPOUNDMENT AREAS USED FOR OIL AND GAS
4	OPERATIONS AS A PERMITTED USE IN ALL ZONING DISTRICTS,
5	PROVIDED THAT THE EDGE OF ANY IMPOUNDMENT AREA SHALL NOT BE
6	LOCATED CLOSER THAN 300 FEET FROM AN EXISTING BUILDING.
7	(7) AUTHORIZE NATURAL GAS COMPRESSOR STATIONS AS A
8	PERMITTED USE IN AGRICULTURE AND INDUSTRIAL ZONING DISTRICTS
9	AND AS A CONDITIONAL USE IN ALL OTHER ZONING DISTRICTS, IF
10	THE NATURAL GAS COMPRESSOR BUILDING MEETS THE FOLLOWING
11	<u>CONDITIONS:</u>
12	(I) IS LOCATED 750 FEET OR MORE FROM THE NEAREST
13	EXISTING BUILDING OR 200 FEET FROM THE NEAREST LOT LINE,
14	WHICHEVER IS GREATER, UNLESS WAIVED BY THE OWNER OF THE
15	BUILDING OR ADJOINING LOT; AND
16	(II) DOES NOT EXCEED A NOISE STANDARD OF 60DBA AT
17	THE NEAREST PROPERTY LINE OR THE APPLICABLE STANDARD
18	IMPOSED BY FEDERAL LAW, WHICHEVER IS LESSER.
19	(8) AUTHORIZE NATURAL GAS PROCESSING PLANTS AS A
20	PERMITTED USE IN AN INDUSTRIAL ZONING DISTRICT AND AS
21	CONDITIONAL USES IN AGRICULTURAL ZONING DISTRICTS, IF THE
22	NATURAL GAS PROCESSING PLANT BUILDINGS MEET THE FOLLOWING
23	CONDITIONS:
24	(I) UNLESS THERE IS A WAIVER BY THE OWNER OF THE
25	BUILDING OR ADJOINING LOT, THE NATURAL GAS PROCESSING
26	PLANT BUILDING IS LOCATED AT THE GREATER OF:
27	(A) AT LEAST 750 FEET FROM THE NEAREST EXISTING
28	BUILDING; OR
29	(B) AT LEAST 200 FEET FROM THE NEAREST LOT LINE.
30	(II) THE NOISE LEVEL OF THE NATURAL GAS PROCESSING

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1	PLANT AT THE PROPERTY LINE DOES NOT EXCEED THE LESSER OF:
2	(A) A NOISE STANDARD OF 60DBA; OR
3	(B) THE APPLICABLE STANDARD IMPOSED BY FEDERAL
4	LAW.
5	(9) IMPOSE RESTRICTIONS ON VEHICULAR ACCESS ROUTES FOR
6	OVERWEIGHT VEHICLES ONLY AS AUTHORIZED UNDER 75 PA.C.S.
7	(RELATING TO VEHICLES) OR THE MPC.
8	(10) DOES NOT ATTEMPT TO IMPOSE LIMITS OR CONDITIONS ON
9	SUBTERRANEAN OPERATIONS OR HOURS OF OPERATION.
10	<u>§ 3310. APPLICABILITY.</u>
11	THIS CHAPTER SHALL APPLY TO THE ENFORCEMENT OF LOCAL
12	ORDINANCES EXISTING ON THE DATE OF THIS SECTION AND TO THE
13	ENACTMENT OR ENFORCEMENT OF LOCAL ORDINANCES ENACTED ON OR AFTER
14	THE EFFECTIVE DATE OF THIS CHAPTER.
15	Section 2. Repeals are as follows:
16	(1) The General Assembly declares that the repeal under
17	paragraph (2) is necessary to effectuate the addition of 58
18	Pa.C.S. Ch. 32.
19	(2) The act of December 19, 1984 (P.L.1140, No.223),
20	known as the Oil and Gas Act, is repealed.
21	Section 3. The addition of 58 Pa.C.S. § 3225(a)(1), (2) and
22	(3) and (c) shall apply to wells drilled after the effective
23	date of this section.
24	SECTION 3. THIS ACT SHALL APPLY AS FOLLOWS:
25	(1) THE ADDITION OF 58 PA.C.S. § 3225(A)(1)(III) SHALL
26	APPLY TO WELLS DRILLED AFTER THE EFFECTIVE DATE OF THIS
27	SECTION.
28	(2) THE ADDITION OF 58 PA.C.S. PT II SHALL APPLY TO ALL
29	OIL AND GAS DEPOSITS AND OIL AND GAS DEVELOPMENT ACTIVITIES
30	AND OPERATIONS SUBJECT TO THE JURISDICTION OF THE

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1 COMMONWEALTH. WITH RESPECT TO OIL AND GAS DEPOSITS ON 2 NATIONAL FOREST LANDS IDENTIFIED UNDER SECTION 17(0) OF THE MINERAL LEASING ACT (106 STAT. 3108, 30 U.S.C. § 226(0)), THE 3 APPLICATION OF REGULATIONS AND STATUTES ADOPTED BY THE 4 5 COMMONWEALTH SHALL BE THE EXCLUSIVE METHOD AND MEANS BY WHICH 6 ANY REQUIREMENTS MAY BE IMPOSED ON ANY FEATURE, ASPECT OR PROCESS OF OIL AND GAS OPERATIONS PERTAINING TO THE 7 8 DEVELOPMENT OF THE DEPOSITS.

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

12 Except as otherwise provided in 58 Pa.C.S. Ch. 32, (1)13 all activities initiated under the Oil and Gas Act shall 14 continue and remain in full force and effect and may be 15 completed under 58 Pa.C.S. Ch. 32. Orders, regulations, rules and decisions which were made under the Oil and Gas Act and 16 17 which are in effect on the effective date of section 2(2) of 18 this act shall remain in full force and effect until revoked, 19 vacated or modified under 58 Pa.C.S. Ch. 32. Contracts, 20 obligations and collective bargaining agreements entered into 21 under the Oil and Gas Act are not affected nor impaired by 22 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.

29 (3) Paragraph (2) does not apply to the addition of the30 following provisions:

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1 (i) The following definitions in section 3203: "Unconventional formation." 2 (A) 3 (B) "Unconventional well." (ii) Section 3211(a) introductory paragraph, (b), 4 (b.1), (b.2), (d), (e), (e.1)(5), (6) and (7), (f), (g) 5 6 and (k). 7 Section 3215(a), (b), (c) introductory (iii) 8 paragraph, (6) and (7)  $\frac{\text{and}}{(d)}$ , (D) AND (E). (iv) Section 3218(a), (b.1), (b.2), (c), (c.1), (d) 9 10 (1), (3), (4) and (5) and (g). (v) Section 3218.1. 11 (vi) Section 3218.2. 12 13 (vii) Section 3218.3. 14 (VIII) SECTION 3218.4. (IX) SECTION 3218.5. 15 16 (X) SECTION 3218.6. (viii) (XI) Section 3222(a.1), (b), (b.1), (b.2) and 17 ← 18 (b.3). (ix) (XII) Section 3225(a)(1), (2) and (3)(iii) and 19 ← 20 (iv), (c), (d), (d.1) and (f). (x) (XIII) Section 3253(c) and (f). 21 4 (xi) (XIV) Section 3255(a) and (b). 22 ← 23 (XV) Section 3256. ← 24 (XVI) Section 3292. ← SECTION 4.1. IT IS NOT THE INTENT OF THE GENERAL ASSEMBLY TO 25 4 CHANGE, REPEAL OR OTHERWISE AFFECT ANY OF THE PROVISIONS OF THE 26 ACT OF DECEMBER 18, 1984 (P.L. 1069, NO. 214), KNOWN AS THE COAL 27 28 AND GAS RESOURCE COORDINATION ACT, OR TO CHANGE, REPEAL OR 29 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 30

DECEMBER 18, 1984 (P.L.1069, NO.214), ENTITLED 'AN ACT REQUIRING 1 2 COORDINATION OF COAL MINE AND GAS WELL OPERATORS; AUTHORIZING 3 DEPARTMENT OF ENVIRONMENTAL RESOURCES ENFORCEMENT POWERS; AND PROVIDING PENALTIES, ' FURTHER PROVIDING FOR DEFINITIONS, FOR 4 PERMITS, FOR PERMIT APPLICATION, FOR MINIMUM DISTANCE BETWEEN 5 GAS WELLS, FOR WELL CLASS DESIGNATION AND FOR COORDINATION OF 6 7 GAS WELL DRILLING THROUGH ACTIVE COAL MINES; PROVIDING FOR A 8 PILLAR SUPPORT STUDY; AND FURTHER PROVIDING FOR PLUGGING GAS 9 WELLS PENETRATING WORKABLE COAL SEAMS, FOR PENALTIES AND FOR 10 VALIDITY OF OTHER LAWS," WHICH AMENDED THE COAL AND GAS RESOURCE 11 COORDINATION ACT.

12 SECTION 4.2. WITHIN 180 DAYS OF THE EFFECTIVE DATE OF THIS 13 SECTION, THE DEPARTMENT OF TRANSPORTATION SHALL, BASED ON 14 ACCURATE DEPARTMENT RECORDS REFLECTING AVERAGE HISTORICAL 15 EXPENSES WHICH HAVE BEEN INCURRED IN THE REPAIR OF EXCESS 16 DAMAGES AND LEVELS OF USE BY INDUSTRIES, INCLUDING THE 17 TRANSPORTATION OF FOREST AND OTHER PRODUCTS, PUBLISH PROPOSED 18 REGULATIONS TO:

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

24 (2) IMPOSE BONDING REQUIREMENTS BASED ON LEVELS OF USE25 BY INDUSTRY.

26 Section 5. This act shall take effect as follows:

27 (1) The following provisions shall take effect28 immediately:

29

(i) This section.

30 (ii) The addition of 58 Pa.C.S. § 3301.

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1	(I) THE ADDITION OF 58 PA.C.S. § 3301.
2	(II) SECTION 4.1 OF THIS ACT.
3	(III) SECTION 4.2 OF THIS ACT.
4	(IV) THIS SECTION.
5	(2) Except for the addition of 58 Pa.C.S. § 3301, the
6	addition of 58 Pa.C.S. Ch. 33 shall take effect in 30 days.
7	(2.1) THE ADDITION OF 58 PA.C.S. § 3215 SHALL TAKE
8	EFFECT IN 120 DAYS.
9	(3) The addition of 58 Pa.C.S. § 3225 shall take effect
10	in 180 days.
11	(4) The remainder of this act shall take effect in 60
12	days.

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