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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES


CONSUMER AFFAIRS, CHAIRMAN

INSURANCE
LEGISLATIVE BUDGET AND FINANCE

MEMORANDUM

DATE: January 12, 2011

TO: All House Members

FROM: Representative Robert W. Godshall, Chairman 
House Consumer Affairs Committee

SUBJECT: Co-sponsorship – Oil & Gas Rights (former HB 2266 w/changes)

Interest in the Marcellus Shale natural gas has produced a variety of related issues and concerns, including those associated with oil and gas rights and leasing. Unless otherwise noted in the terms of a sale or lease, oil and gas rights can be extremely difficult to restore to an interested surface owner, especially those sold or leased long ago and may have since become abandoned. As such, in the near future, I plan to introduce legislation modeled after a successful Michigan law, amending Act 115 of 2006, the Dormant Oil and Gas Act, to provide for the return of oil and gas rights to a surface owner if an interest in the oil or gas owned by a person other than the owner of the surface property is deemed abandoned following 20 years of dormancy.

Under this legislation, an interest in oil or gas shall be abandoned in the absence of the issuance of a permit to drill an oil or gas well issued by the department, actual production or withdrawal of oil or gas from said lands, or from lands covered by a lease to which that interest in oil or gas is subject, or from lands pooled, unitized, or included in unit operations therewith, or the use of that interest in underground gas storage operations.

This legislation also provides for the protection of oil and gas interests from abandonment if the owner of the interest files notice in the Recorder of Deeds office for the county where the interest is located stating the owner's desire to preserve the interest. Therefore, an owner of oil and gas rights need not produce the oil or gas in order to maintain their ownership.

Former co-sponsors: GODSHALL , LONGIETTI , MOUL , SOLOBAY , SONNEY and SWANGER

If you wish to co-sponsor this legislation, please contact Jane Hugendubler by email: jhugendu@pahousegop.com or phone 783-6429.

RWG:jh
RWG/2011-12 cospon oil & gas