



Senate of Pennsylvania

Senator Jim Ferlo

38th Senatorial District

MEMO

To: *All Senators*
Date: *April 27, 2012*
From: *Senator Jim Ferlo*
Subject: *Co-sponsorship of Title 58 (Oil and Gas) Omnibus Amendments*

In the near future I plan to introduce legislation to make significant changes to the recently adopted Title 58 (Oil and Gas). This legislation will address the shortcomings which threaten the public's safety and health, the environment, and local control of zoning and land use under existing statute. The recently adopted Act also grossly undervalues the natural gas within our Commonwealth and my legislation will address this inadequacy.

Act 13 of 2012 leaves our state poorly protected from the impacts of the natural gas drilling industry. The impact fee will not appropriately compensate the state for the local effects on our roads and social services, or pay for the damage done to our environment. The public safety and environmental protection sections fail on both accounts. The local zoning preemption leaves too little power in the hands of local elected officials and the residents who bear the brunt of well rig activity and endless truck traffic.

Here is a more detailed summary of the legislation:

1. Eliminates the impact fee and replace it with a fair severance tax of \$0.25 per thousand cubic feet of gas. The tax rate will adjust up as the price of gas increases and will be collected by the Department of Revenue.
2. The funding distribution formula will remain the same for the first \$200 million. All additional funding will be directed to the General Fund.
3. Require that a driller of an unconventional well provide notice to surrounding

property owners and municipal officials that are within 5,000 ft of the well site prior to the well drilling permit application being submitted to the Department of Environmental Protection (DEP).

4. Utilizes the edge of the well pad as the boundary to begin all measurements for required distances for notification instead of the bore hole.

5. Provides that, in a water management plan, potential damage to ecosystems and wildlife must be a consideration in the approval process.

6. Provides set backs from the edge of the well pad of 1,500 feet from buildings, 2,500 feet from drinking water sources, 1,000 feet from exceptional value water sources, and 500 feet from any other body of water and eliminates the Department of Environmental Protection's ability to waive these requirements. It also prohibits drilling with the boundary of a wetland.

7. Adds proximity to water sources, including trout streams and wetlands, as conditions for the DEP to consider when reviewing a well application and would further allow the Department to deny or condition the permit based on 7 possible impacts.

8. Improves the standards of drinking water by requiring that a driller must obtain to replace lost drinking water due to drilling activity.

9. Amends how trade secrets are handled by the Department in relation to public access.

10. Clarifies that doctors shall have immediate access to any and all information that might be related to a patient's condition, and that the doctor is free to share that information with the patient, a county or state department of health, or other health agency or association.

13. Requires that first responders may obtain the drilling report information for any well to which they are responding in an emergency, including proprietary information, regarding the fracking solution.

14. Increases bonding requirements.

15. Increases criminal penalties related to violations of the act.

16. Deletes Chapter 33 (Local Ordinances Relating to Oil and Gas Operations) and restores zoning and land use decisions to municipalities.

17. Creates a moratorium on any additional leasing of state forest land for 2 years.

If you would like to co-sponsor this legislation please e-mail Kate Roberts at kroberts@pasenate.com or call 787-6123.