An Act

To encourage and permit the prospecting for and development of certain valuable minerals on State forest land and providing for the waiver of competitive bidding requirements therefor.

Compiler's Note: Section 302(h) of Act 18 of 1995, which created the Department of Conservation and Natural Resources and renamed the Department of Environmental Resources as the Department of Environmental Protection, provided that the Department of Conservation and Natural Resources shall exercise the powers and duties conferred upon the Department of Forests and Waters by Act 208 of 1961.

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

Section 1. Statement of Policy.--The Commonwealth is interested in the orderly, efficient development and full use of its mineral resources and as large landowner it believes that the possibility of development of minerals on State forest land must not be discouraged and that these lands must not forever be withdrawn from the possibility of mineral development.

Section 2. Short Title.--This act shall be known and may be cited as the "State Forest Lands Prospecting Act."

Section 3. Definitions.--As used in this act--

(1) "Ores" means all minerals which can be recovered at a profit, except mineral fuels (coal, oil, gas, etc.) peat, clay, building stone, crushed stone, sand, gravel, halite, gypsum and brines but shall include glass sands, high silica sands, black sands, heavy mineral sands, china clays and pottery clays, as well as other valuable non-metallic minerals not excluded above.

(2) "Prospecting" means surface examination, geologic mapping, geophysical and geochemical surveying and limited exploratory drilling and collection of samples which can be done without serious disturbances of the surface or damage to wildlife, plants and timber growth or disturbance or pollution of any stream or body of water.

(3) "Development" means extensive drilling, drainage, pitting, driving of shafts or adits, etc. as shall be necessary to determine the extent of an ore deposit and to mine, produce, extract, process and sell said ores and by-products.

(4) "Department" means the Department of Forests and Waters.

(5) "Secretary" means the Secretary of Forests and Waters.

(6) "Financial responsibility" means the financial backing or capital necessary to undertake the proposed development.

Section 4. Prospecting Permit.--A prospecting permit shall be issued by the department for the term of one year on payment of a fee of twenty-five dollars ($25) to any United States or Canadian citizens over eighteen years of age or any corporation
with permission to operate in Pennsylvania. This permit will allow prospecting as defined on those lands owned by the Commonwealth of Pennsylvania and administered by the department, except lands in which mineral ownership is not vested in the Commonwealth, State parks, historical parks, picnic and monument areas, experimental and administrative areas and other restricted area as defined and limited by the rules and regulations of the department.

The prospecting permit may be renewed annually for a fee of five dollars ($5) per year. The permit may be revoked by the secretary for violation of any provisions of the act or regulation promulgated by the department. Application for renewal must be received within fifteen days after the permit anniversary date or it will automatically become void.

Section 5. Development Permit.--A development permit may be issued by the department only to a holder of a prospecting permit upon the discovery of an ore deposit and only for a defined tract of land not exceeding five hundred acres.

(a) Requests for development permits shall be sent to the department by registered mail or certified mail, return receipt requested, the postmark establishing the priority of the claim or may be made in person at the office of the department in Harrisburg and a written dated receipt for the request shall be issued to such person at that time. Within six months thereafter, the discoverer shall submit evidence of financial responsibility and geological evidence of the occurrence of an ore body. Certification of an ore deposit discovery by the State geologist, acting in cooperation with the department, shall be obtained before final issuance of a development permit. A plat of the desired area on the latest United States Department of Interior Geological Survey Topographic Maps, not smaller in scale than 1:62,500 (fifteen minute quadrangles) shall be submitted with the initial request for a development permit. The final tract boundaries and size shall be determined by the department upon the advice of the State geologist and the Chief of the Division of Minerals of the department.

The secretary may reject any request if inadequate financial responsibility is shown or if investigation of the deposit for certification indicates that it cannot be economically operated. The secretary may also reject requests for good cause but cannot then grant a development permit for all, or a portion of the same area, to another party for a period of five years, at which time the original request shall receive preferential consideration. If the original discoverer fails to meet the requirements set forth necessary to obtain a development permit, subsequent applications by other parties shall be considered in the order received as determined hereinbefore.

(b) The term of the permit shall be five years and renewable yearly so long thereafter as ore is produced in economic quantities or operations in the amount of four hundred dollars ($400) per year continue for the development of additional ore. The permit shall be for all ores covered by this act or the mineral by-products of mining of said ores.

Operations in the amount of four hundred dollars ($400) per year for the development of ore must begin within one year after
permit date unless sufficient reason for delay is shown. Operations shall include the engineering for or construction of operating facilities. Maps of surface and workings and analyses of ore produced shall be furnished to the department and to the State geologist upon request.

A permittee may hold more than one permit concurrently for adjacent or separated tracts as the secretary may determine. Permits may be assigned or sublet with the written consent of the department. Permits may be surrendered at any time but there shall be no reimbursement for rentals already paid.

(c) All test holes, whether drilled, bored or dug, shall be restored to contour (unless said holes are shown to be necessary to future mining operations) and all plant growth damaged shall be paid for at usual stumpage rates and replanted by and at the expense of permittee. If a permit is cancelled, restoration of surface to the satisfaction of the department shall nevertheless be required.

Permits shall be subject to such other reasonable regulations as the secretary may deem necessary to prevent unreasonable damage to forest, other plant life, waters, soil, game and fish and to protect the basic interests of the Commonwealth.

(d) A royalty of eight per centum of the value per crude ton based on current market quotations, if the ore is consumed by the permittee, or eight per centum of the contract price per ton, if the ore is sold to a consumer other than the producer of the ore, shall be paid to the department.

A ground rental of one dollar ($1) per acre per year, or one hundred dollars ($100) per year, whichever is greater, shall be paid to the department for the life of the lease. Said rentals may be credited against royalties due during a given year but are not cumulative from one year to another.

(e) A bond conditioned upon the faithful performance of the terms of the permit and compliance with the rules and regulations of the department and this act shall be furnished by all permittees and shall be one hundred dollars ($100) per acre or one thousand dollars ($1,000), whichever is greater.

Section 6. Rules and Regulations.--The department is herewith empowered to formulate and institute all rules and regulations and permit forms pertinent hereto. The department shall have power to refuse any prospecting or development permit, or to impose conditions upon any such permit, whenever it deems the same necessary, to prevent the explosion or loss of gas from areas leased for the production or storage of natural gas or to assure to the lessees of such areas the peaceful enjoyment of the rights conferred by their leases. The department may also exercise such power, wherever it deems the same necessary, to prevent damage to pipe lines and other facilities beneath the surface of the earth.

Section 7. Mineral Fund Expenditures.--All rents, royalties and permit fees derived herefrom shall be deposited in the General Fund.

Section 8. Effective Date.--This act shall take effect immediately.