

AN ACT

Relating to coal mining, well operations and the underground storage of gas, except in storage reservoirs excavated in rock formations specifically for storage purposes, the safety of personnel and facilities employed therein, and the protection of the people residing in the area and their property rights; prescribing the rights and duties of well operators, before, during, and after the drilling of wells for the production, extraction or storage of any gas, petroleum or other liquid; regulating the underground storage of gas under workable coal seams; prescribing the rights and duties of owners and operators of coal mines in relation to wells and underground storage areas; granting certain corporations a limited right of eminent domain to appropriate interests in real property for surface and sub-surface operations in connection with the underground storage of gas; creating the Oil and Gas Division of the Department of Mines and defining its personnel, powers and duties; providing for hearings and the procedures to be followed therein and imposing duties upon the courts and providing methods for the enforcement of the provisions of this act and imposing penalties. (Title amended Mar. 3, 1970, P.L.81, No.38)

Compiler's Note: Section 6(a) of Act 48 of 1981, which provided for the fixing of fees charged by administrative agencies, provided that Act 225 is repealed insofar as it establishes a set fee for any activity inconsistent with the fees set forth in Act 48.

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

ARTICLE I
PRELIMINARY PROVISIONS

Section 101. Short Title.--This act shall be known as the "Gas Operations Well-Drilling Petroleum and Coal Mining Act."

Section 102. Definitions.--As used in this act:

(1) "Coal mine" means those operations in a coal seam which include the excavated and abandoned portions as well as the places actually being worked, also all underground workings and shafts, slopes, tunnels and other ways and openings and all such shafts, slopes, tunnels and other openings in the course of being sunk or driven, together with all roads and facilities connected with them below the surface.

(2) "Operating coal mine" means (i) a coal mine which is producing coal or has been in production of coal at any time during the twelve months immediately preceding the date its status is put in question under this act and any worked out or

abandoned coal mine connected underground with or contiguous to such operating coal mine as herein defined and (ii) any coal mine to be established or reestablished as an operating coal mine in the future pursuant to subsection (c) of section 303 of this act.

(3) "Outside coal boundaries" when used in conjunction with the term "operating coal mine," means the boundaries of the coal acreage assigned to such coal mine and which can be practically and reasonably expected to be mined through such coal mine.

(4) "Workable coal seam" means (i) a coal seam in fact being mined in the area in question under this act by underground methods or (ii) one which in the judgment of the division can be and that it is reasonable to be expected will be mined by underground methods.

(5) "Coal operator" means any person as herein defined who proposes to or does operate a coal mine either as owner or lessee.

(6) "Well" when used in this act means a bore hole drilled or being drilled for the purpose of or to be used for producing, extracting or injecting any gas, petroleum or other liquid but excluding bore holes drilled to produce potable water to be used as such.

(7) "Division" means the Oil and Gas Division of the Department of Mines.

(8) "Owner" means any person as herein defined who owns, manages, operates, leases, controls or possesses any well or coal property.

(9) "Well operator" means any person as herein defined who proposes to or does locate, drill, operate, plug, recondition or abandon any well as herein defined; in cases where a well is used in connection with the underground storage of gas, the term "well operator" shall also mean a "storage operator" as hereinafter defined.

(10) "Gas" means any natural, manufactured or by-product gas or any mixture thereof.

(11) "Storage reservoir" means that portion of any subterranean sand or rock stratum or strata into which gas is or may be injected for the purpose of storage or for the purpose of testing whether said stratum is suitable for storage.

(12) "Plat" means a map, drawing or print accurately drawn to scale showing the proposed or existing location of a well or wells as herein defined.

(13) "Casing" means a string or strings of pipe commonly placed in wells drilled for natural gas or petroleum.

(14) "Bridge" means an obstruction placed in a well at any specified depth.

(15) "Cement" or "cement grout" means hydraulic cement properly mixed with water only.

(16) "Linear foot" means a unit of measurement in a straight line on a horizontal plane.

(17) "Oil" means the same as the word "petroleum."

(18) "Person" means any individual, association, partnership or corporation.

(19) "Reservoir protective area" means all of that area outside of and surrounding the storage reservoir boundary but

within two thousand linear feet thereof.

(20) "Retreat mining" means the removal of such coal pillars, ribs and stumps as remain after the development mining has been completed in that section of a coal mine.

(21) "Pillar" means a solid block of coal surrounded by either active mine workings or a mined out area.

(22) "Inactivate" means to shut off all flow of gas from a well by means of a temporary plug or other suitable device or by injecting aquagel or other such equally non-porous material into the well.

(23) "Storage operator" means any person, as herein defined, who proposes to or does operate a storage reservoir either as owner or lessee.

(24) "Completion of a well" shall mean the date after treatment, if any, that the well is properly equipped for production of oil or gas; or if the well is dry, the date the well is abandoned. ((24) added July 31, 1968, P.L.881, No.265)

Section 103. Exclusions From Effect of Act.--Nothing contained in this act shall apply to storage of gas or liquids in storage reservoirs excavated in rock formations specifically for storage purposes.

Section 104. Declaration of Public Policy.--The provisions of this act shall be liberally construed to effect the safety of personnel and facilities employed in the underground storage of gas and the protection of the people residing in the area where such gas is stored and their property rights.

(104 added Mar. 3, 1970, P.L.81, No.38)

ARTICLE II DRILLING AND PLUGGING

Section 201. Well Operator's Responsibility Before and During Drilling.--(a) Before drilling any well, the well operator shall have a plat prepared by a competent engineer or surveyor (on a form to be furnished by the division) showing the political subdivision and county in which the tract of land upon which the well to be drilled is located, the name of the lessor or landowner, the name of the owner or operator of all known underlying workable coal seams, if any, the acreage in the tract to be drilled, the proposed location of the well determined by survey, the courses and distances of such location from two or more permanent points or landmarks on said tract, the proposed angle and direction of such well, if the well is to be deviated substantially from a vertical course and the number or other identification to be given the well, indicating the workable coal seams, if any, underlying said tract which are to be cased off in accordance with section 204 of this act and shall forward, by registered mail, copies of the plat to the division and the division shall in turn forward, by registered mail, a copy of said plat to the owner and lessee, if any, of such coal and every coal operator, operating in any of said seams of coal, who has the right to file objections under section 202 and who has mapped the same and filed his maps with the Department of Mines as required by law. If the well operator submits to the division written approval of the proposed well location by the

coal operator or owner, if any, of the coal underlying the proposed well location and no objections are raised by the division within ten days or if no such approval has been submitted and no objections are made to such proposed well location within ten days from receipt of such notice by the coal operator or owner, if any, or by the division, the same shall be filed and become a permanent record of such location, subject to inspection at any time by any interested person, and the division shall forthwith issue a drilling permit to the well operator and the well operator may proceed with the drilling of the well at the exact location shown on the plat: Provided, however, That in non-coal areas where more than one well is to be drilled as part of the same development project, only the first well of the project need be located by survey. The remaining wells of the project shall be shown on the plat with courses and distances from the first well plainly marked. Prior to drilling each of the additional project wells, the well operator shall notify the division of his intention, and a permit will be issued forthwith.

(b) It shall be the duty of the well operator to keep a driller's log of such well. Such log shall show the character, thickness and depth of the formations passed through or encountered in the drilling of such well and show the depth at which all gas, oil and water were encountered. The log shall show whether the well is productive of gas, oil or water, the volume or quantity thereof and the initial rock pressure of such well which has been taken for a period of not less than forty-eight hours. A copy of this log shall be furnished to the division within thirty days after the completion of the well and it shall be kept on file by the division.

(c) Drilling permits issued for wells covered by this act shall expire one year after issuance unless operations for drilling the well are commenced within such period and prosecuted with due diligence. Nothing in this subsection shall be construed to rescind the provisions pertaining to drilling permits contained in the act of July 25, 1961 (P.L.825), known as the "Oil and Gas Conservation Law."

(201 amended July 31, 1968, P.L.881, No.265)

Section 202. Drilling Permit, Agreed Location of Wells, Docket of Proceedings.--(a) In case any well location referred to in subsection (a) of section 201 is made so that the well when drilled will penetrate anywhere within the outside coal boundaries of any operating coal mine or coal mine already projected and platted but not yet being operated or within one thousand linear feet beyond such boundaries and the well when drilled or the pillar of coal about the well will, in the opinion of the coal owner or operator, unduly interfere with or endanger such mine, then the coal owner or operator affected shall have the right to file objections in accordance with subsection (h) of section 501 to such proposed location within ten days of the receipt by the coal operator of the plat provided for in subsection (a) of section 201. An alternative location at which the proposed well could be drilled to overcome such objections shall, if possible, be indicated. If no such objections to the proposed location are filed or if none are

raised by the division within ten days after receipt of the plat by the coal operator or owner, or if written approval by the coal operator or owner of the location is filed with the division and no objections are raised by the division within ten days, the division shall forthwith issue to the well operator a drilling permit authorizing the well operator to drill at such location.

(b) If any objections are filed by any coal operator or owner or are made by the division, the division shall fix a time and place for a conference in accordance with section 502 not more than ten days from the date of the service of such objections on the well operator at which conference the well operator and such coal operators or owners as are present or represented shall consider the objections and attempt to agree upon a location. If they fail to agree upon a location, the division shall direct that a hearing be held within five days of such conference in accordance with section 502 and, after such hearing, shall, by an appropriate order, determine a location on such tract of land as near to the original location as possible where, in the judgment of the division, the well can be safely drilled without unduly interfering with or endangering such mine. Such new location as agreed upon by said parties or as determined by the division shall be indicated on the plat on file with the division and shall become a permanent record, whereupon the division shall promptly issue a drilling permit authorizing the well operator to drill at the location agreed upon by the parties or as determined by the division.

(c) Within one hundred and twenty days after the commencement of drilling operations, the coal operator shall accurately locate the well by a closed survey on the same datum as the mine workings or coal boundaries are mapped and file the results of the survey with the division and forward, by registered mail, a copy to the well operator.

(d) No well shall be drilled except in accordance with a permit issued under this section. ((d) amended July 31, 1968, P.L.881, No.265)

(e) ((e) repealed July 31, 1968, P.L.881, No.265)

Section 203. Coal Operator's Responsibility Upon Approaching Wells Already Drilled or Located.--(a) Hereafter, at any time prior to removing any coal or other underground material or extending the workings in any coal mine within five hundred feet of any oil or gas well of which the coal operator has knowledge, or any approved well location of which the coal operator has knowledge, the coal operator shall forward, by registered mail, to or file with the well operator and the division a copy of such relevant part of its maps and plans which it is presently required by law to prepare and file with the Department of Mines, showing the pillar which the coal operator proposes to leave in place around each oil or gas well in the projected workings. Following the filing of said maps and plans, the coal operator may proceed with his mining operations in the manner projected on said maps and plans but he shall not remove any coal or cut any passageway within one hundred fifty feet of any such well or approved well location until a permit has been issued as hereinafter provided. If, in the opinion of the well

operator or the division, such plan indicates that the pillar proposed to be left around any such well or approved well location is insufficient in size, then the well operator affected shall attempt to agree with the coal operator upon a suitable pillar, subject to the approval of the division but, failing to agree, such well operator may, within ten days from receipt by them of such plan, file objections in accordance with subsection (h) of section 501 to such proposed plan, indicating the size of the pillar to be left with respect to each such well. If no objections are filed within said ten day period or if none are raised by the division, the division shall forthwith issue a permit to the coal operator reciting the filing of said maps or plans, that no objections have been made thereto and that the pillar proposed to be left for each such well is approved in the manner as projected.

(b) If any objections are filed by such well operator or are raised by the division, the division shall direct that a conference be held in accordance with section 502 within ten days of the filing of such objections. At such conference the coal operator and the person who has filed such objections shall attempt to agree upon a proposed plan, showing the pillar to be left around each well, which will satisfy such objections and be approved by the division and, if such plan is agreed upon, the division shall forthwith issue to the coal operator a permit reciting the filing of said plan and that the pillar to be left for each such well is approved as agreed upon. If no such plan showing the pillar to be left with respect to each well can be agreed upon at such conference, the division shall direct that a hearing be held within five days after such conference in accordance with section 502 and, after such hearing, shall, in accordance with the standards set forth in this section and by an appropriate order, determine the pillar to be left with respect to each such well. In any proceeding under this section, the division shall follow as nearly as is possible the original plan filed by the coal operator. The division shall not require the coal operator to leave a pillar in excess of one hundred feet in radius, except that, if it is established that unusual conditions exist requiring the leaving of a larger pillar, the division may require a pillar up to but not exceeding one hundred fifty feet in radius. The pillar to be left with respect to each well as determined by the division shall be shown on the maps or plans on file with the division as provided in subsection (a) of this section and the division shall thereupon issue to the coal operator a permit approving the pillar to be left for each such well.

(c) Whenever a permit shall have been issued by the division under this section approving or requiring a certain plan for the leaving of a pillar of a specified size in the projected workings and it shall thereafter be demonstrated by further mining operations in the area that such a pillar is insufficient in size, the well operator shall, subject to the approval of the division, attempt to agree with the coal operator upon a suitable pillar but, failing to agree, such well operator or operators may file a petition with the division to review such plan and, following the procedure hereinabove in this section

prescribed, the division may, by an appropriate order, determine, subject to the limitations set forth in this section, a different plan showing the pillar to be left thereafter with respect to each such well and an amended permit shall thereupon be issued approving the pillar to be left for each such well.

(d) Application may be made at any time to the division by the coal operator to leave a pillar of less size than that shown on the plan filed by him or approved or determined by the division pursuant to the provisions of this section. If any such application is filed, the division may, following the procedure hereinbefore in this section prescribed, by an appropriate order, determine a different plan showing a pillar of less size with respect to any or all wells covered by such application and an amended permit shall thereupon be issued approving the pillar to be left with respect to each such well.

(e) No coal operator shall, without the written approval of the division after notice and opportunity for hearing as prescribed in this section, remove any coal or cut any passageway so as to leave a pillar of less size with respect to any oil or gas well than shown on a permit or amended permit issued under this section.

(f) Nothing in this act shall be construed to require a well operator to pay for any coal pillar required by the act to be left around any well drilled prior to the effective date of this act. Nothing contained in this act, which may require a coal operator to leave a pillar of coal of a certain size around a well drilled after the effective date of this act, shall in any way affect (1) any right which the coal operator would have had prior to the effective date of this act to obtain payment for such coal nor (2) any duty or right which the well operator, storage operator or land owner may have had prior to the effective date of this act to pay for or not to pay for such coal.

Section 204. Method of Casing Through Coal Seams.--(a) When a well is drilled at a location where the coal has been removed from only one seam, the hole shall be drilled at least thirty feet below the coal seam and of a sufficient size to permit the placing of a steel pipe liner not less than ten inches in diameter and of at least one-quarter inch wall thickness. The liner shall extend from a point not less than twenty-five feet below the coal seam to a point not less than twenty-five feet above it. The bottom end of the liner shall be fastened and sealed to the casing and the casing shall be centrally located within the liner, the casing and liner to be run and cemented when the well is drilled at least thirty feet but not more than fifty feet below the coal seam. The annular space between said casing and liner shall be filled with bentonitic mud, cement or such nonporous material as the division may approve pursuant to an application filed under section 207. The casing shall be raised at least ten feet off the bottom of the hole and cement shall be placed in the well through the casing to a depth of at least twenty feet. After the cement has been placed, the casing shall be lowered to the bottom of the hole. In each case, where cement is used to set such liners or casing strings, sufficient time shall be allowed for the proper setting of the cement

before drilling is resumed. The casing string shall be equipped with either an approved packer or casing shoe. A liner may be run and cemented as a separate string of pipe: Provided, however, That the liner is run and cemented when the well is drilled at least thirty feet but not more than fifty feet below the coal seam; or such alternate method of protecting the coal seam may be employed as the division may approve pursuant to an application filed under section 207. Such representative of the division as the deputy secretary shall have designated and the coal operator shall be given at least seventy-two hours notice by the well operator when the work described above is to be done. ((a) amended July 31, 1968, P.L.881, No.265)

(b) When a well is drilled at a location where the coal has been removed from two or more seams, such liner shall extend not less than twenty-five feet below the lowest seam penetrated and shall extend to a point not less than twenty-five feet above the highest such seam. In such multiple coal seams in a location from which the coal has been removed, the liner may be run and cemented as a separate string of pipe: Provided, however, That the liner shall be run and cemented when the well is drilled at least thirty feet and not more than fifty feet below the lowest coal seam; or such alternate method of protecting the coal seams may be employed as the division may approve pursuant to an application filed under section 207. Such representative of the division as the deputy secretary shall have designated and the coal operator shall be given at least seventy-two hours notice by the well operator when the casing is to be cemented through the coal seam. ((b) amended July 31, 1968, P.L.881, No.265)

(c) A well penetrating one or more workable coal seams in a location from which the coal has not been removed shall be drilled to such depth and of such size as will permit the placing of casing and packers in the hole at such points and in such manner as will exclude all oil or gas from the coal seam, except such as may be found naturally in the coal seam itself. Each string of casing run in the hole shall be provided with a steel casing, shoe collar, packer or other suitable device firmly fixed on the bottom of such string of casing. The outer string of casing run through any workable coal seam shall be of at least one-quarter inch wall thickness and shall be seated at least thirty feet below such coal seam or, if run through more than one workable coal seam, then at least thirty feet below the lowest of such coal seams, in at least twenty feet of cement, bentonitic mud or nonporous material or by such alternate method as the division may approve pursuant to an application filed under section 207 and such casing string shall extend to the surface. The space behind the largest diameter casing extending through a workable coal seam or seams shall be filled to the extent possible to the surface with cement, bentonitic mud or such nonporous material or by such alternate method as the division may approve pursuant to an application filed under section 207. Such representative of the division as the deputy secretary shall have designated and the coal operator or owner shall be given at least seventy-two hours notice by the well operator when the well is to be cased through such coal seam. ((c) amended July 31, 1968, P.L.881, No.265)

(d) In the event that gas is found beneath a workable coal seam before the size of the hole has been reduced, a packer shall be placed below such coal seam and above the gas horizon and the gas by this means shall be diverted to the inside of the adjacent string of casing through perforations made in such casing and through it shall be passed to the surface without contact with the coal seam. Should oil or gas be formed between two workable seams of coal in a hole of the same diameter, from seam to seam, two packers shall be placed with perforations in the casing between them permitting the gas to pass to the surface inside the adjacent casing or the gas may be sealed off by cement or by some other method approved by the division pursuant to an application filed under section 207. In either of the cases here specified, the strings of casing shall extend from their seats to the top of the well.

(e) In the event that a well becomes commercially productive of natural gas or petroleum, all coal-protecting strings of casing shall remain in place during the life of the well and until such well is properly plugged. The annular space between the various strings of casing adjacent to workable seams of coal shall be kept open, except as provided in subsection (d) of this section, and the top ends of all such strings shall be provided with casing heads or such other suitable devices as will permit the passage of gas into the air or into a pipeline and prevent the obstructing or filling of such annular spaces with dirt or debris.

Section 205. Notice of Intention to Plug a Well and Filing of Plugging Certificate.--(a) Prior to the abandonment of any well in an area underlain by a workable coal seam, the well operator shall notify the coal operator and the owner of all known workable coal seams to whom notices are required to be given under section 201 and such representative of the division as the deputy secretary shall have designated, of his intention to plug and abandon any such well and submit a plat (on a form to be furnished by the division) showing the location of the well and fixing the time at which the work of plugging will be commenced, which time shall be not less than seventy-two hours after the time when such notice is received, in order that their representatives may be present at the plugging of the well. Such notice may be waived by the division and said coal operator or owner and either of them may likewise waive his right to be present but such waiver shall be in writing and a copy thereof attached to notice of abandonment, filed with the division under this section. Whether or not such representatives appear, the well operator may, if he has fully complied with the requirements of this section, proceed, at the time fixed, to plug the well in the manner hereinafter described. When such plugging has been completed, a certificate shall be prepared (on a form to be furnished by the division) by two experienced and qualified men who participated in the work setting forth the time and manner in which the well was plugged. One copy of this certificate shall be mailed to each coal operator or owner to whom notice was given by registered mail and another copy shall be mailed to the division.

(b) Prior to the abandonment of any well in an area not

underlain by a workable coal seam, the well operator shall notify the division or such representative of the division as the deputy secretary shall have designated of his intention to plug and abandon any such well and submit a plat (on a form to be furnished by the division) showing the location of the well and fixing the time at which the work of plugging will be commenced, which time shall not be less than seventy-two hours nor more than thirty days after the time of mailing such notice, in order that the division representative may be present at the plugging of the well. Such notice or waiting period may be verbally waived by the division or its representative: Provided, however, That in non-coal areas where more than one well has been drilled as part of the same development project, and these wells are now to be plugged, it is required that the district oil and gas representative be given seventy-two hours notice prior to plugging the first well of such project subject to waiver of notice described herein. In the plugging of subsequent wells on this project it shall be the responsibility of the division representative to learn when this work is to be continued. Whether or not such division representative appears, the well operator may, if he has fully complied with the requirements of this section, proceed at the time fixed to plug the well in the manner hereinafter described. When such plugging has been completed a certificate shall be prepared, (on a form to be furnished by the division) by two experienced and qualified men who participated in the work, setting forth the time and manner in which the well was plugged. A copy of this certificate shall be mailed to the division.

(205 amended July 31, 1968, P.L.881, No.265)

Compiler's Note: Section 9(b) of Act 173 of 1978 provided that section 205 is repealed insofar as it is inconsistent with 1 Pa.C.S. § 2301(d) (relating to equality of rights based on sex)..

Section 206. Plugging and Pulling Casing.--(a) Upon abandoning or ceasing to operate any well in an area not underlain by a workable coal seam, the owner or operator thereof shall plug the same in the following manner.

The well shall be filled with sand pumpings, mud or other equally nonporous material as the division may approve pursuant to an application filed under section 207, from the bottom of the well to a point twenty feet above the top of the lowest stratum bearing or having borne oil, gas or water or a permanent bridge shall be anchored thirty feet below the lowest stratum bearing or having borne oil, gas or water and from such bridge the well shall be filled with sand pumpings, mud or other equally nonporous material as the division may approve pursuant to an application filed under section 207, to a point twenty feet above such stratum. At this point there shall be placed a plug of cement or other equally nonporous material to a depth of at least twenty feet which will completely seal the hole. A sufficient lapse of time shall be allowed after the introduction of the cement or other material for it to set properly before proceeding. Between this sealing plug and a point twenty feet above the next higher stratum bearing or having borne oil, gas

or water, the hole shall be either filled or bridged and filled in the manner just described and at such point there shall be placed another similar plug of cement or other equally nonporous material to a depth of at least twenty feet which will completely seal the hole. In like manner the hole shall be filled and plugged or bridged, filled and plugged with reference to each of the strata bearing or having borne oil, gas or water. Whenever such strata are not widely separated and are free from water, they may be grouped and treated as a single horizon and the aforesaid filling and plugging may be performed as though there were but one horizon. After plugging all strata bearing or having borne oil, gas or water, as aforesaid, a bridge shall be anchored approximately thirty feet below the water string of casing and there shall be placed another similar plug of cement or other equally nonporous material to a depth of at least ten feet, which will completely seal the hole, after which said casing may be drawn. A final plug shall be anchored approximately ten feet below the bottom of the largest casing in the well and, from this point to the surface, the well shall be filled with sand pumpings, mud or other equally nonporous material.

(b) In an area not underlain by a workable coal seam when it is desired to pull the casing in any well, the well may be produced through tubing placed on a packer and, after cement has been poured on the packer to a depth of not less than twenty feet and the annular space outside of the tubing and above the cement plug is filled with cement, aquagel or other equally nonporous material or such alternate method as the division may approve pursuant to an application filed under section 207, up to the bottom of the smallest water string of casing, then the casing or casings may be pulled.

Upon the abandonment of such well, a plug or bridge shall be placed in the tubing at a point near the depth at which the packer was set and cement placed on top of said plug or bridge to a depth of not less than thirty feet. After the tubing has been parted above the plug and pulled, a bridge shall then be set at a depth of not less than thirty feet from the surface and the hole completely filled from that point to the surface with sand pumpings, mud or other suitable material. With the approval of the division pursuant to an application filed under section 207, some other equally effective method of pulling casing or plugging may be used.

(c) Upon abandoning or ceasing to operate any well which passes through a workable coal seam, the owner or operator of said well shall plug the same in the following manner.

The well shall be filled with sand pumpings or such nonporous material as the division may approve pursuant to an application filed under section 207, to the top of the lowest stratum bearing or having borne oil, gas or water and, at such point, a suitable type of plug approved by the division shall be placed. The space above the plug shall be filled for at least twenty feet with cement or such nonporous material as the division may approve, pursuant to an application filed under section 207. A sufficient lapse of time shall be allowed after the introduction of the cement or other material for it to set properly before

proceeding. All other formations encountered in the well which bear or have borne oil, gas or water shall be plugged and filled in the same manner. A final plug shall be anchored approximately ten feet below the bottom of the smallest coal protecting string of casing but not less than forty feet below the lowest workable coal seam and the hole above filled with approximately twenty feet of rock or gravel. After the inside casing has been drawn, there shall be placed on top of the rock or gravel above the final plug a vent pipe at least two inches in diameter with a bell fitting or other suitable device to carry any free gas into the vent pipe. The vent pipe shall extend above the surface at least six feet and shall be fitted at the top with a tee and two street ells, or similar devices, to prevent debris from entering the vent pipe. The space surrounding the vent pipe and immediately above the bell fitting or other device shall be filled with a maximum of five feet of sand pumpings or fine gravel and, then, the space from this point shall be filled with cement to a point not less than twenty-five feet above the highest workable coal seam. From this point to the surface, the space around the vent pipe shall be filled with sand pumpings or other equally nonporous material. In a storage reservoir subject to section 304, the vent pipe shall be maintained in good repair by the storage operator. If approved by the division pursuant to an application filed under section 207, an alternative method of plugging and venting may be employed.

((c) amended July 31, 1968, P.L.881, No.265)

(d) Upon abandoning or ceasing to operate any well pursuant to this section where any of the strata bearing or having borne oil, gas or water in a well has been shot, thereby creating cavities which cannot be readily filled in the manner above described, the well operator shall use either of the following methods unless he has approval of the division pursuant to an application filed under section 207 to use an alternative method:

(1) Should the stratum which has been shot be the lowest one in the well, there shall be placed at the nearest suitable point but not less than twenty feet above the stratum, a plug of cement or other equally nonporous material, to a depth of at least twenty feet, which will completely seal the hole. A sufficient lapse of time shall be allowed after the introduction of the cement or other material for it to set properly before proceeding. In the event, however, that the shooting has been done above one or more strata bearing or having borne oil, gas or water in the well, plugging in the manner specified shall be done at the nearest suitable points to not less than twenty feet below and not less than twenty feet above the stratum shot. From a point immediately above the above mentioned plug, the well shall be plugged in accordance with subsection (a), (b) or (c) of this section, whichever is applicable.

(2) When such cavity shall be in the lowest stratum bearing or having borne oil, gas or water in the well, a liner shall be placed which shall extend from not less than twenty feet above to a solid bottom in the stratum in which the shooting has been done. In the event, however, that the shooting has been done above one or more strata bearing or having borne oil, gas or

water in the well, the liner shall be so placed that it will extend not less than twenty feet above nor less than twenty feet below the stratum in which shooting has been done. Following the placing of the liner in the manner here specified, it shall be completely filled with sand pumpings, mud or other equally nonporous material as the division may approve pursuant to an application filed under section 207. From a point immediately above the top of said liner, the well shall be plugged in accordance with subsection (a), (b) or (c) of the section, whichever is applicable.

Section 207. Alternative Method.--(a) Whenever provision is made in this act by reference to this section for using an alternative method or material in carrying out any obligation imposed by the act, the person seeking the authority to use such alternative method or material shall file an application with the division, describing such proposed alternative method or material in reasonable detail. Notice of filing of any such application shall be given by registered mail to any coal operator or operators affected. Any such coal operator may, within ten days following such notice, file objections to such proposed alternative method or material. If no objections are filed within said ten day period or if none is raised by the division, the division shall forthwith issue a permit approving such proposed alternative method or material.

(b) If any such objections are filed by any coal operator or are raised by the division, the division shall direct that a conference be held in accordance with section 502 within ten days following the filing of such objections. At such conference the person seeking approval of the alternative method or material and the person who has filed such objections shall attempt to agree on such alternative method or material or any modifications thereof and, if such agreement is reached and approved by the division, the division shall forthwith issue a permit approving the alternative method or material. If no such agreement is reached and approved, the division shall direct that a hearing be held in accordance with section 502 hereof: Provided, however, That if the alternative method or material involves a new development in technology or technique, the division may before such a hearing is held, grant such affected parties a period not to exceed ninety days to study and evaluate said proposed alternative method or material. Following such hearing, if the division shall find that such proposed alternative method or material will furnish adequate protection to the workable coal seams, the division shall by order approve such alternative method or material, otherwise the division shall deny the said application.

Section 208. Oil and Gas Division Cooperation with Sanitary Water Board.--Upon request of the Sanitary Water Board the Oil and Gas Division shall, and upon its own initiative it may, submit to said board recommended regulations for the control and prevention of pollution of surface and underground waters resulting from drilling, operation, abandonment or plugging of oil or gas wells. The Oil and Gas Division shall report to the Sanitary Water Board any violation of The Clean Streams Law, or of any regulation or order of said board issued pursuant

thereto, which the division shall find in its inspections and investigations made under the authority conferred by section 501 (g) of this act.

(208 added July 31, 1968, P.L.881, No.265)

ARTICLE III
REGULATION OF UNDERGROUND GAS STORAGE POOLS IN
CERTAIN AREAS

Section 301. Filing of Maps and Data by Persons Operating or Proposing to Operate Gas Storage Reservoirs.--(a) Any person who, on the effective date of this act, is injecting gas into or storing gas in a storage reservoir which underlies or is within three thousand linear feet of an operating coal mine which is operating in a coal seam that extends over the storage reservoir or the reservoir protective area, shall, within sixty days thereafter, file with the division a copy of a map and certain data in the form and manner provided in this subsection.

Any person who, on the effective date of this act, is injecting gas into or storing gas in a storage reservoir which is not at such date under or within three thousand linear feet but is less than ten thousand linear feet from an operating coal mine which is operating in a coal seam that extends over the storage reservoir or the reservoir protective area, shall file such map and data within such time in excess of sixty days as the division may fix.

Any person who, after the effective date of this act, proposes to inject or store gas in a storage reservoir located as above, shall file the required map and data with the division not less than six months prior to the starting of actual injection or storage.

The map provided for herein shall be prepared by a competent engineer or geologist. It shall show the stratum or strata in which the existing or proposed storage reservoir is or is to be located, the geographic location of the outside boundaries of the said storage reservoir and the reservoir protective area, the location of all known oil or gas wells which have been drilled into or through the storage stratum within the reservoir or within three thousand linear feet thereof, indicating which of these wells have been or are to be cleaned out and plugged or reconditioned for storage and also indicating the proposed location of all additional wells which are to be drilled within the storage reservoir or within three thousand linear feet thereof.

The following information, if available, shall be furnished for all known oil or gas wells which have been drilled into or through the storage stratum within the storage reservoir or within three thousand linear feet thereof, name of the operator, date drilled, total depth, depth of production if the well was productive of oil or gas, the initial rock pressure and volume, the depths at which all coal seams were encountered and a copy of the driller's log or other similar information. At the time of the filing of the aforesaid maps and data, such person shall file a detailed statement of what efforts he has made to determine (1) that the wells shown on said map are accurately

located thereon and (2) that, to the best of his knowledge, they are all the oil or gas wells which have ever been drilled into or below the storage stratum within the proposed storage reservoir or within the reservoir protective area. This statement shall also include information as to whether or not the initial injection is for testing purposes, the maximum pressure at which injection and storage of gas is contemplated and a detailed explanation of the methods to be used or which, theretofore, have been used in drilling, cleaning out, reconditioning and plugging wells in the storage reservoir or within the reservoir protective area. The map and data required to be filed hereunder shall be amended or supplemented semi-annually in case any material changes have occurred: Provided, however, That the division may require a storage operator to amend or supplement such map or data at more frequent intervals if material changes have occurred justifying such earlier filing.

(b) The requirements of this section shall not apply to the operator of an underground gas storage reservoir so long as said reservoir is located more than ten thousand linear feet from an operating coal mine: Provided, however, That such storage operator shall give notice to the division of the name of each political subdivision and county in which said operator maintains and operates a gas storage reservoir. In those political subdivisions and counties where both gas storage reservoirs and coal mines are being operated, the division may request the storage operator to furnish maps showing the geographical location and outside boundaries of such storage reservoirs. The division shall keep a record of such information and shall promptly notify both the coal operator and the storage operator if it is found that the coal mine and storage reservoir are within ten thousand linear feet of each other.

(c) At the time of the filing of the above maps and data and the filing of amended or supplemented maps or data, the division shall give written notice of said filing to all persons who may be affected under the provisions of this act by the storage reservoir described in such maps or data. Such notices shall contain a description of the boundaries of such storage reservoir. When a person operating a coal mine or owning an interest in coal properties which are or may be affected by the storage reservoir requests, in writing, a copy of any map or data filed with the division, such copy shall be furnished by the storage operator.

(d) For all purposes of this act, the outside boundaries of a storage reservoir shall be defined by the location of those wells around the periphery of the storage reservoir which had no gas production when drilled in said storage stratum: Provided, however, That the boundaries as thus defined shall be originally fixed or subsequently changed where based upon the number and nature of such wells, upon the geological and production knowledge of the storage stratum, its character, permeability and distribution and operating experience, it is determined in a conference or hearing under section 502 that modification should be made.

Section 302. Filing of Maps and Data by Persons Operating

Coal Mines.--(a) Any person owning or operating a coal mine shall, within thirty days from the effective date of this act, file with the division a map prepared by a competent engineer, showing the outside coal boundaries of the said operating coal mine, the existing workings and exhausted areas and the relationship of said boundaries to identifiable surface properties and landmarks: Provided, however, That any operating coal mine, which has been penetrated by a well since the effective date of this act, shall furnish a mine map to the division each year indicating the excavations for the preceding year and the projections for the ensuing year. Any person who is storing or contemplating the storage of gas in the vicinity of such operating coal mines shall, upon written request, be furnished a copy of the aforesaid map by the coal operator and such person and the division shall, thereafter, be informed of any boundary changes at the time such changes occur. The division shall keep a record of such information and shall promptly notify both the coal operator and the storage operator if it is found that the coal mine and the storage reservoir are within ten thousand linear feet of each other. ((a) amended July 31, 1968, P.L.881, No.265)

(b) Any person owning or operating any coal mine which, on the date of the enactment of this act, is or which thereafter comes within ten thousand linear feet of a storage reservoir, and where the coal seam being operated extends over the storage reservoir or the reservoir protective area, shall, within forty-five days after he has notice from the division of such fact, file with the division and furnish to the person operating such storage reservoir a map in the form hereinabove provided and showing, in addition, the existing and projected excavations and workings of such operating coal mine for the ensuing eighteen month period and, also, the location of any oil or gas wells of which said coal operator has knowledge. Such person owning or operating said coal mine shall, each six months thereafter, file with the division and furnish to the person operating such storage reservoir a revised map showing any additional excavations and workings, together with the projected excavations and workings for the then ensuing eighteen month period, which may be within ten thousand linear feet of said storage reservoir: Provided, however, That the division may require a coal operator to file such revised map at more frequent intervals if material changes have occurred justifying such earlier filing. Such person owning or operating said coal mine shall also file with the division and furnish the person operating said reservoir prompt notice of any wells which have been cut into, together with all available pertinent information.

Section 303. Notice by Persons Operating Coal Mines.--(a) Any person owning or operating a coal mine on the effective date of this act and having knowledge that it overlies or is within two thousand linear feet of a gas storage reservoir shall, within thirty days, notify the division and the storage operator of such fact.

(b) When any person owning or operating a coal mine hereafter expects that within the ensuing nine months period

such coal mine will be extended to a point which will be within two thousand linear feet of any storage reservoir, he shall notify the division and the storage operator in writing of such fact.

(c) Any person hereafter intending to establish or reestablish an operating coal mine which, when established or reestablished, will be over a storage reservoir or within two thousand linear feet of a storage reservoir or which, upon being established or reestablished, may, within nine months thereafter, be expected to be within two thousand linear feet of a storage reservoir shall notify the division and the storage operator, in writing, before doing so and such notice shall include the date on which it is intended the operating coal mine will be established or reestablished.

Any person who serves such notice of an intention to establish or reestablish an operating coal mine under this subsection, without intending in good faith to establish or reestablish such mine, shall be liable for continuing damages to any storage operator injured by the serving of such improper notice and shall be guilty of a misdemeanor under this article and subject to the same penalties as set forth in section 504.

Section 304. Obligations to be Performed by Persons Operating Storage Reservoirs.--(a) Any person who, on the effective date of this act, is operating a storage reservoir which underlies or is within two thousand linear feet of an operating coal mine which is operating in a coal seam that extends over the storage reservoir or the reservoir protective area, shall:

(1) Use every known method which is reasonable under the circumstances for discovering and locating all wells which have or may have been drilled into or through the storage stratum in that acreage which is within the outside coal boundaries of such operating coal mine and which overlies the storage reservoir or the reservoir protective area.

(2) Plug or recondition in the manner provided by subsection (c) of section 206 and subsection (e) of this section, all known wells (except to the extent otherwise provided in subsections (e), (f), (g) and (h) of this section) drilled into or through the storage stratum and which are located within that portion of the acreage of the operating coal mine overlying the storage reservoir or the reservoir protective area: Provided, however, That where objection is raised as to the use of any well as a storage well and after a conference or hearing in accordance with section 502, it is determined, taking into account all the circumstances and conditions that such well should not be used as a storage well, such well shall be plugged: Provided, however, That, if in the opinion of the storage operator the well to which such objection has been raised may at some future time be used as a storage well, the storage operator may recondition and inactivate such well instead of plugging it, if such alternative is approved by the division after taking into account all of the circumstances and conditions.

The requirements of clause (2) of this subsection shall be deemed to have been fully complied with if, as the operating coal mine is extended, all wells which from time to time come

within the acreage described in said clause (2) are reconditioned or plugged as provided in subsections (e) or (f) of this section and in subsection (c) of section 206 so that by the time the coal mine has reached a point within two thousand linear feet of any such wells, they will have been reconditioned or plugged so as to meet the requirements of said subsections (e) or (f) and of subsection (c) of section 206.

(b) Any person operating a storage reservoir referred to in subsection (a) of this section shall, within sixty days after the effective date of this act, file with the division and furnish a copy to the person operating the affected operating coal mine a verified statement setting forth:

(1) That the map and any supplemental maps required by subsection (a) of section 301 have been prepared and filed in accordance with section 301.

(2) A detailed explanation of what the storage operator has done to comply with the requirements of clauses (1) and (2) of subsection (a) of this section and the results thereof.

(3) Such additional efforts, if any, as the storage operator is making and intends to make to locate all oil and gas wells.

(4) Any additional wells that are to be plugged or reconditioned to meet the requirements of clause (2) of subsection (a) of this section.

If such statement is not filed by the storage reservoir operator within the time specified herein, the division shall summarily order such operator to file such statement.

(c) Within one hundred twenty days after the receipt of any such statement, the division may and it shall, if so requested by either the storage operator or the coal operator affected, direct that a conference be held in accordance with section 502 to determine whether the information as filed indicates that the requirements of section 301 and of subsection (a) of this section have been fully complied with. At such conference, if any person shall be of the opinion that such requirements have not been fully complied with, the parties shall attempt to agree on what additional things are to be done and the time within which they are to be completed, subject to the approval of the division to meet the said requirements.

If such agreement cannot be reached, the division shall direct that a hearing be held in accordance with section 502. At such hearing the division shall determine whether the requirements of section 301 and of subsection (a) of this section have been met and shall issue an order setting forth such determination. If the division shall determine that any of the said requirements have not been met, the order shall specify in detail both the extent to which such requirements have not been met and the things which the storage operator must do to meet such requirements. The order shall grant to the storage operator such time as is reasonably necessary to complete each of the things which he is directed to do. If, in carrying out said order, the storage operator encounters conditions which were not known to exist at the time of the hearing and which materially affect the validity of said order or the ability of the storage operator to comply with the order, the storage operator may apply for a rehearing or modification of said

order.

(d) Whenever in compliance with subsection (a) of this section, a storage operator after the filing of the statement provided for in subsection (b) of this section, plugs or reconditions a well, he shall so notify the division and the coal operator affected, in writing, setting forth such facts as will indicate the manner in which the plugging or reconditioning was done. Upon receipt thereof, the coal operator affected or the division may request a conference or hearing in accordance with section 502.

(e) In order to meet the requirements of subsection (a) of this section, wells which are to be plugged shall be plugged in the manner specified in subsection (c) of section 206. When a well, located within the storage reservoir or the reservoir protective area, has been plugged prior to the enactment of this act and on the basis of the data information and other evidence submitted to the division, it is determined that (1) such plugging was done in the manner required in subsection (c) of section 206, or in a manner approved as an alternate method in accordance with section 207 and (2) said plugging is still sufficiently effective to meet the requirements of this act, the obligations imposed by subsection (a) of this section as to plugging said well shall be considered fully satisfied.

(f) In order to meet the requirements of subsection (a) of this section, wells which are to be reconditioned shall be cleaned out from the surface through the storage horizon and the following casing strings shall be pulled and replaced with new casing, using the same procedure as is applicable to drilling a new well as provided for in this act, (1) the producing casing, (2) the largest diameter casing passing through the lowest workable coal seam unless such casing extends at least twenty-five feet below the bottom of such coal seam and is determined to be in good physical condition: Provided, however, That the storage operator may, instead of replacing the largest diameter casing, replace the next largest casing string if such casing string extends at least twenty-five feet below the lowest workable coal seam and (3) such other casing strings which are determined not to be in good physical condition. In the case of wells to be used for gas storage, the annular space between each string of casing and the annular space behind the largest diameter casing to the extent possible, shall be filled to the surface with cement or aquagel or such equally nonporous material as is approved by the division pursuant to section 207. At least fifteen days prior to the time when a well is to be reconditioned, the storage operator shall give notice thereof to the coal operator or owner and to the division, setting forth in such notice the manner in which it is planned to recondition such well and any pertinent data known to the storage operator which will indicate the then existing condition of such well. In addition, the storage operator shall give the coal operator or owner and such representative of the division as the deputy secretary shall have designated at least seventy-two hours notice of the time when such reconditioning is to begin. The coal operator or owner shall have the right to file, within ten days after the receipt of the first notice required herein,

objections to the plan of reconditioning as submitted by the storage operator. If no such objections are filed or if none is raised by the division, within such ten day period, the storage operator may proceed with the reconditioning in accordance with the plan as submitted. If any such objections are filed or are made by the division, the division shall fix a time and place for a conference in accordance with section 502, at which conference the storage operator and the person who has filed such objections shall endeavor to agree upon a plan of reconditioning which meets the requirements herein and which will satisfy such objections. If no plan is approved at such conference, the division shall direct that a hearing be held in accordance with section 502 and after such hearing shall, by an appropriate order, determine whether the plan as submitted meets the requirements set forth herein or what changes, if any, should be made to meet such requirements. If, in reconditioning a well in accordance with said plan, physical conditions are encountered which justify or necessitate a change in said plan, the storage operator or the coal operator may request that the plan be changed. If said parties cannot agree upon such change, the division shall arrange for a conference or hearing in accordance with section 502 to determine the matter in the same manner as set forth herein in connection with original objections to said plan. Application may be made to the division in the manner prescribed in section 207 for approval of an alternative method of reconditioning a well. When a well located within the storage reservoir or the reservoir protective area has been reconditioned prior to the enactment of this act, or was so drilled and equipped previously and on the basis of the data, information and other evidence submitted to the division, it is determined that:

(1) Such reconditioning or previous drilling and equipping was done in the manner required in this subsection or in a manner approved as an alternative method in accordance with section 207.

(2) Such reconditioning or previous drilling and equipping is still sufficiently effective to meet the requirements of this act, the obligations imposed by subsection (a) as to reconditioning said well shall be considered fully satisfied. Where a well requires emergency repairs, this subsection shall not be construed to require the storage operator to give the notices specified herein before making such repairs.

(g) When a well located within the reservoir protective area is a producing well in a stratum below the storage stratum the obligations imposed by subsection (a) of this section shall not begin until such well ceases to be a producing well.

(h) When a well within a storage reservoir or the reservoir protective area penetrates the storage stratum but does not penetrate the coal seam being mined by an operating coal mine, the division may, upon application of the operator of such storage reservoir, exempt such well from the requirements of this section. Either party affected may request a conference and hearing with respect to the exemption of any such well in accordance with section 502.

(i) In fulfilling the requirements of clause (2) of

subsection (a) of this section with respect to a well within the reservoir protective area, the storage operator shall not be required to plug or recondition such well until he has received from the coal operator written notice that the mine workings will, within the period stated in such notice, be within two thousand linear feet of such well. Upon the receipt of such notice, the storage operator shall use due diligence to complete the plugging or reconditioning of such well in accordance with the requirements of this section and of subsection (c) of section 206. If the said mine workings do not, within a period of three years after said well has been plugged, come within two thousand linear feet of said well, the coal operator shall reimburse the storage operator for the cost of said plugging, provided such well is still within the reservoir protective area as of that time.

(j) When retreat mining approaches a point where within ninety days it is expected that such retreat work will be at the location of the pillar surrounding an active storage well, the coal operator shall give written notice of such approach to the storage operator and, by agreement, said parties shall determine whether it is necessary or advisable to inactivate effectively said well temporarily. The well shall not be reactivated until a reasonable period has elapsed, such reasonable period to be determined by said parties. In the event that said parties cannot agree upon either of the foregoing matters, such question shall be submitted to the division for decision in accordance with section 502. The number of wells required to be temporarily inactivated during the retreat period shall not be such as to materially affect the efficient operation of such storage pool. This provision shall not preclude the temporary inactivation of a particular well where the practical effect of inactivating such well is to render the pool temporarily inoperative.

(k) The requirements of subsections (a), (l) and (m) of this section shall not apply to the injection of gas into any stratum when the sole purpose of such injection (such purpose being herein referred to as testing) is to determine whether the said stratum is suitable for storage purposes: Provided, however, That such testing shall be conducted only in compliance with the following requirements:

(1) The person testing or proposing to test shall comply with all of the provisions and requirements of section 301 and shall verify the statement required to be filed thereby.

(2) If any part of the proposed storage reservoir is under or within two thousand linear feet of an operating coal mine which is operating in a coal seam that extends over the proposed storage reservoir or the reservoir protective area, the storage operator shall give at least six months' written notice to the division and to the coal operator of the fact that injection of gas for testing purposes is proposed.

(3) The coal operator affected may, at any time, file objections with the division in accordance with subsection (h) of section 501. If any such objections are filed by the coal operator, or if the division shall have any objections, the division shall fix a time and place for a conference in accordance with section 502, not more than ten days from the

date of the notice to the storage operator, at which conference the storage operator and the person who has filed such objections shall attempt to agree, subject to the approval of the division, on the questions involved. If such agreement cannot be reached at such conference, the division shall direct that a hearing be held in accordance with section 502. At such hearing, the division shall determine and set forth in an appropriate order, the conditions and requirements which it shall deem necessary or advisable in order to prevent gas from such storage reservoir from entering any operating coal mine. The storage operator shall comply with such conditions and requirements throughout the period of the testing operations. In determining such conditions and requirements, the division shall take into account the extent to which the matters referred to in subsection (a) of this section have been performed. If, in carrying out said order, either the storage operator or the coal operator encounters or discovers conditions which were not known to exist at the time of the hearing and which materially affect said order or the ability of the storage operator to comply with the order, either operator may apply for a rehearing or modification of said order.

(4) Where, at any time, a proposed storage reservoir being tested comes under or within two thousand linear feet of an operating coal mine, either because of the extension of the storage reservoir being tested or because of the extension or establishment or reestablishment of the operating coal mine, then and at the time of any such event, the requirements of this subsection shall become applicable to such testing:

(1) Any person who, after the effective date of this act, proposes to establish, a storage reservoir under or within two thousand linear feet of an operating coal mine which is operating in a coal seam that extends over the storage reservoir or the reservoir protective area shall, prior to establishing such reservoir in addition to complying with the requirements of section 301 and subsection (a) of this section, file the verified statement required by subsection (b) of this section and fully comply with such order or orders, if any, as the division may issue in the manner provided for under subsection (b) or (c) of this section before beginning the operation of such storage reservoir. After the person proposing to operate such storage reservoir shall have complied with such requirements and shall have thereafter begun to operate such reservoir, he shall continue to be subject to all of the provisions of this article.

(m) When a gas storage reservoir (1) is in operation on effective date of this act and at any time thereafter, it is under or within two thousand linear feet of an operating coal mine or (2) when a gas storage reservoir is put in operation after the effective date of this act and at any time after such storage operations begin, it is under or within two thousand linear feet of an operating coal mine, then and in either such event, the storage operator shall comply with all of the provisions of this section, except that the time for filing the verified statement under subsection (b) shall be sixty days after the date stated in the notice filed by the coal operator

under subsections (b) or (c) of section 303 as to when the operating coal mine will be at a point within two thousand linear feet of such reservoir: Provided, however, That if the extending of the projected workings or the proposed establishment or reestablishment of the operating coal mine is delayed after the giving of the notice provided in subsection (b) and (c) of section 303, the coal operator shall give notice of such delay to the division and the division shall, upon the request of the storage operator, extend the time for filing such statement by the additional time which will be required to extend or establish or reestablish such operating coal mine to a point within two thousand linear feet of such reservoir. Such verified statement shall also indicate that the map referred to in subsection (a) of section 301 has been currently amended as of the time of the filing of such statement. The person operating any such storage reservoir shall continue to be subject to all of the provisions of this article.

(n) If, in any proceeding under this act, the division shall determine that any operator of a storage reservoir has failed to carry out any lawful order of the division issued under this act, the division shall have authority to require such storage operator to suspend the operation of such reservoir and to withdraw the gas therefrom until such violation is remedied. In such an event, the gas shall be withdrawn under the following conditions. The storage operator shall remove the maximum amount of gas which is required by the division to be removed from the storage reservoir that can be withdrawn in accordance with recognized engineering and operating procedures and shall proceed with due diligence in so far as existing facilities used to remove gas from the reservoir will permit.

(o) In addition to initial compliance with the other provisions of this act and any lawful orders issued thereunder, it shall be the duty, at all times, of the person owning or operating any storage reservoir which is subject to the provisions of this article, to keep all wells drilled into or through the storage stratum in such condition and to operate the same in such manner as to prevent the escape of gas into any coal mine therefrom and to operate and maintain such storage reservoir and its facilities in such manner and at such pressures as will prevent gas from escaping from such reservoir or its facilities into any coal mine: Provided, That this duty shall not be construed to include the inability to prevent the escape of gas where such escape results from an act of God or an act of any person not under the control of the storage operator other than in connection with any well which the storage operator has failed to locate and to make known to the division: Provided, however, That, if any escape of gas into a coal mine does result from an act of God or an act of any person not under the control of the storage operator, the storage operator shall be under the duty of taking such action thereafter as is reasonably necessary to prevent further escape of gas into the coal mine.

Section 305. Inspection of Facilities and Records, Reliance on Maps, Burden of Proof.--(a) In determining whether a particular coal mine or operating coal mine is or will be within

any distance material under this act from any storage reservoir, the owner or operator of such coal mine and the storage operator may rely on the most recent map of the storage reservoir or coal mine filed by the other with the division.

(b) In any proceeding under this act where the accuracy of any map or data filed by any person pursuant to the requirements of this act is in issue, the person filing the same shall, at the request of any party to such proceeding, be required to disclose the information and method used in compiling such map and data and such information as is available to such person that might affect the current validity of such map or data. If any material question is raised in such proceeding as to the accuracy of such map or data with respect to any particular matter or matters contained therein, the person filing such map or data shall then have the burden of proving the accuracy of the map or data with respect to such matter or matters.

(c) The person operating any storage reservoir affected by the terms of this act shall, at all reasonable times, be permitted to inspect the applicable records and facilities of any coal mine overlying such storage reservoir or the reservoir protective area and the person operating any such coal mine affected by the terms of this act shall, similarly at all reasonable times, be permitted to inspect the applicable records and facilities of any such storage reservoir underlying any such coal mine. In the event that either such storage operator or coal operator shall refuse to permit any such inspection of records or facilities, the division shall, on its own motion or on application of the party seeking the inspection after reasonable written notice and a hearing thereon if requested by either of the parties affected, make an order providing for such inspection.

Section 306. Exemptions.--(a) The provisions of this article shall not apply to the following types of coal mines.

(1) Strip mines and auger mines operating from the surface.

(2) Mines to which the provisions of the act of June nine, one thousand nine hundred eleven (Pamphlet Laws 756), as amended, do not apply as provided in section three of Article XXVIII thereof and mines to which the provisions of the act of June two, one thousand eight hundred ninety-one (Pamphlet Laws 176), as amended, do not apply as provided in section one of Article I thereof.

(b) Injection of gas for storage purposes in any workable coal seam whether or not such seam is being or has been mined, shall be prohibited. Nothing in this article shall be construed to prohibit the original extraction of natural gas, crude oil or coal.

ARTICLE IV EMINENT DOMAIN

Section 401. Appropriation of Interests in Real Property.--

(a) Any and all corporations empowered to transport, sell or store, natural or manufactured gas, within this Commonwealth, shall have the right, subject to the following limitations, to appropriate interests in real property for the injection,

storage and removal from storage of natural or manufactured gas in any stratum which is or previously has been commercially productive of natural gas: Provided, That the right of eminent domain shall not be exercised to acquire for the purpose of gas storage, (1) any interest in any geological stratum within the area of the proposed storage reservoir, unless the original recoverable oil or gas reserves therein have been depleted or exhausted by at least eighty per centum and unless and until the condemnor shall have acquired the right by grant, lease or other agreement to store gas in the said geological stratum underlying at least seventy-five per centum of the area of the proposed storage reservoir, or (2) any interest in any geological stratum within the area of the proposed storage reservoir owned directly or indirectly by a gas company or by a person engaged in the local distribution of natural gas which interest is being used by such gas company or by such person for present storage of gas in the performance of service to customers within its service area.

(b) This act shall be construed to authorize appropriation of the stratum to be used for storage any gas reserve remaining therein and any active or abandoned well or wells drilled into said stratum and further to authorize the appropriation of the right to enter upon and use the surface of lands for the purpose of locating, reconditioning, maintaining, plugging or replugging any active or abandoned wells or operating any wells drilled into or through said storage stratum within the storage reservoir boundary or within the reservoir protective area. This act shall not be construed, however, to preclude the owner of nonstorage strata from the drilling of wells for the purpose of producing oil or gas from any stratum above or below the storage stratum appropriated by such corporation, but the corporation appropriating or holding storage rights shall have access to and the right to inspect and examine any such drilling or completed well and the drilling logs and all other records relating to the drilling, equipping or operating of such well for the purpose of determining whether the storage stratum is being adequately protected to prevent the escape of gas stored therein. This act shall not authorize the appropriation of any coal or coal measure whether or not being mined or any interest therein.

(c) Any person drilling, operating, using or plugging any well through any stratum which has been appropriated under this act shall so drill, case, equip, operate or plug the same as to prevent any avoidable escape of gas that may be stored in the storage stratum. Upon failure, neglect or refusal of such person or persons to comply with this section, the court of common pleas of the county in which the tract of land is situated shall have the power to compel compliance by injunction or to grant other appropriate relief upon action brought by the corporation storing gas in the storage stratum.

(d) Prior to any appropriation, the corporation shall attempt to agree with the owner or owners of the interests in real property involved as to the damage properly payable for the property rights or interests to be appropriated in or on his, her or their property, if such owner or owners can be found and are sui juris. Failing to agree, the corporation shall tender to

the property owner or owners a surety bond to secure him, her or them in the payment of damages. If the owner or owners refuse to accept said bond or cannot be found or are not sui juris, said bond, after reasonable notice to the property owner or owners by advertisement or otherwise, shall then be presented for approval to the court of common pleas of the county in which the tract of land is situated. Upon the approval of the bond and its being filed in said court, the right of the corporation to enter upon the enjoyment of the powers given it by this act to store gas and to enter on the property for the purpose of locating, reconditioning, maintaining, plugging or replugging any active or abandoned wells or operating any wells drilled into or through said storage stratum within the storage reservoir boundary or within the reservoir protective area shall be complete.

(e) Upon petition of either the property owner or owners or the corporation exercising the right of eminent domain hereunder, said court shall appoint three disinterested freeholders of the county to serve as viewers to assess the damages proper to be paid to the property owner or owners for the rights appropriated by said corporation and shall fix a time for their meeting of which notice shall be given to both parties. After the viewers have filed their report with the court, said court shall fix reasonable compensation for the service of said viewers.

(f) Either party may appeal from the report of the viewers within twenty days after the filing thereof with the court of common pleas and have a jury trial and the right of appeal as in ordinary cases.

(g) Nothing contained in this section shall relieve the person operating a storage reservoir from the requirements of this act.

ARTICLE V MISCELLANEOUS PROVISIONS

Section 501. Oil and Gas Division.--(a) There is hereby created a division of the Department of Mines to be known as the Oil and Gas Division, which division shall have power and authority to execute and carry out the provisions of this act in the manner provided herein. The division shall be under the immediate supervision of a Deputy Secretary of Mines for Oil and Gas, who shall be appointed by the Secretary of Mines, with the approval of the Governor, and who shall be under the supervision and direction of the Secretary of Mines. The deputy secretary, at the time of his appointment, shall be a person informed on the subjects of coal mining and oil and gas production and storage and shall receive such compensation as may be fixed by the Secretary of the Department of Mines, with the approval of the Governor.

(b) The deputy secretary shall serve, on behalf of the Secretary of Mines, as hearing officer at all hearings or conferences conducted by the division or, in his absence or inability to act, such other qualified representative of the division as may be designated, in writing, by the secretary or

said deputy secretary.

(c) The Secretary of Mines shall appoint and fix the compensation of such additional experts, engineers, geologists, inspectors, investigators, clerks and other employes as may be necessary for the proper conduct of the work of the division: Provided, That the Secretary of Mines shall appoint or retain on a consulting basis at least one competent engineer or geologist with a degree in engineering or geology from a recognized institution of learning and at least one competent mining engineer with a degree in engineering from a recognized institution of learning and each having at least four years practical experience in their respective fields. At all hearings under subsection (c) of section 304, there shall be present in addition to the person conducting said hearing at least one of the aforesaid gas engineers or geologists and at least one of the said coal mining engineers who shall consult with the person conducting said hearing and make recommendations to him respecting the matter under consideration.

(d) Except as otherwise specifically provided in this act, the division and its employes shall be subject to all the provisions of "The Administrative Code of 1929," approved April nine, one thousand nine hundred twenty-nine (Pamphlet Laws 177), its amendments and supplements, which apply generally to administrative departments and offices.

(e) The division may review the maps and data filed under sections 301 and 302 hereof, for the purpose of determining the accuracy thereof. Where any material question is raised by any interested storage operator or coal operator or owner as to the accuracy of any such map or data, the division shall hold hearings thereon and shall, by an appropriate order, require the person filing such map or data to correct the same, if they are found to be erroneous.

(f) It shall be the duty of the division to receive and keep in a safe place for public inspection any map, data, report, well log, notice or other writing required to be filed with it pursuant to the provisions of this act. The division shall keep such indices of all such information as will enable any person using the same to readily locate such information either by the identity of the person who filed the same, or by the person or persons affected by such filing, or by the geographic location of the subject matter by political subdivision. The division shall also keep a docket for public inspection of all proceedings in which shall be entered the dates of any notices, the names of all persons notified and their address, the dates of hearings, conferences and all orders, decrees, decisions, determinations, rulings or other actions issued or taken by the division and such docket shall constitute the record of each and every proceeding before the division.

(g) The division shall have authority to make any inspections and investigations of records and facilities, which it shall deem necessary or desirable to perform its functions under this act.

(h) Where, in any section of this act, provision is made for the filing of objections, such objections shall be filed, in writing, with the division by the person entitled to file the

same or by the division and shall state as definitely as is reasonably possible the reasons for such objections. The person filing such objections shall send a copy thereof, by registered mail, to the person or persons affected thereby.

Section 502. Conferences, Hearings and Appeals.--(a) The division or any person having a direct interest in the subject matter of this act may, at any time, request that a conference be held for the purpose of discussing and endeavoring to resolve by mutual agreement any matter arising under the provisions of this act. Prompt notice of any such conference shall be given by the division to all such interested parties. At such conference a representative of the division shall be in attendance and the division may make such recommendations as it deems appropriate. Any agreement reached at such conference shall be consistent with the requirements of this act and, if approved by such representative of the division, it shall be reduced to writing and shall be effective, unless reviewed and rejected by the division within ten days after the close of the conference. The record of any such agreement approved by the division shall be kept on file by the division with copies furnished to the parties. Such a conference shall be held in all cases prior to conducting any hearing under this section.

(b) All hearings before the division shall be public and shall be conducted in accordance with such regulations and such provisions as to reasonable notice as the division may prescribe. Consistent with the requirements for reasonable notice, all hearings under this act shall be held by the division promptly. All testimony taken at such hearings shall be under oath and shall be recorded by a reporter appointed by the division and the parties may appear and be heard in person or by attorney. The division may present at such hearing any evidence which is material to the matter under consideration and which has come to the division's attention in any investigation or inspection made pursuant to provisions of this section.

(c) After the conclusion of hearings, the division shall make and file its findings and order with its opinion, if any. A copy of such order shall be served, by registered mail, upon the person against whom it runs or his attorney and notice thereof shall be given to the other parties to the proceedings or their attorney.

(d) The division may, at any time after notice and after opportunity to be heard as provided in this section, rescind or amend any approved agreement or order made by it. Any order rescinding or amending a prior agreement or order shall, when served upon the person affected and after notice thereof is given to the other parties to the proceedings, have the same effect as is herein provided for original orders but no such order shall affect the legality or validity of any acts done by such person in accordance with the prior agreement or order before receipt by such person of the notice of such change.

(e) The division shall have the power in any part of the Commonwealth to subpoena witnesses, to administer oaths, to examine witnesses or to take such testimony or compel the production of such books, records, maps, plats, papers, documents and other writings as it may deem necessary or proper

in and pertinent to any proceedings, investigation or hearing held or had by it. In case of refusal to obey any subpoena served upon any person, any court shall, on application of the deputy secretary or his authorized representative, have power to enforce such subpoenas in contempt proceedings. The fees for serving a subpoena shall be the same as those paid sheriffs for similar services. ((e) repealed in part Apr. 28, 1978, P.L.202, No.53)

(f) The division or any party to proceedings before the division may cause the deposition of witnesses, residing within or without the Commonwealth to be taken in the manner prescribed by law for taking depositions in civil actions.

(g) Witnesses who are summoned before the division shall be paid the same fees as are paid to witnesses in the courts of record of general jurisdiction. Witnesses whose depositions are taken pursuant to the provisions of this act and the officers taking the same shall be entitled to the same fees as are paid for like services in such courts.

(h) No person shall be excused from testifying or from producing any book, document, map, plat or paper in any investigation or inquiry by or hearing before the division when ordered to do so upon the ground that the testimony or evidence, book, documents, map, plat, paper or other writings required may tend to incriminate him or subject him to penalty or forfeiture, but no person shall be prosecuted, punished or subjected to any forfeiture or penalty for or on account of any act, transaction, matter or thing concerning which he shall have been compelled, under objection, to testify or produce documentary evidence: Provided, That no person so testifying shall be exempt from prosecution or punishment for any perjury committed by him in his testimony.

(i) ((i) repealed Apr. 28, 1978, P.L.202, No.53)

(j) ((j) repealed Apr. 28, 1978, P.L.202, No.53)

(k) ((k) repealed Apr. 28, 1978, P.L.202, No.53)

(l) ((l) repealed June 3, 1971, P.L.118, No.6 and Apr. 28, 1978, P.L.202, No.53)

(m) ((m) repealed Apr. 28, 1978, P.L.202, No.53)

(n) Whenever a coal or gas operator is to be given notice by the division of any proceeding to be held under this section, the division shall also send simultaneously a copy of such notice to the collective bargaining representative of the employees of the coal operator.

Compiler's Note: Section 508(a) of Act 223 of 1970 provided that the jurisdiction of the courts named in section 502 is transferred to and vested in the Commonwealth Court and provided that section 502 is repealed insofar as it relates to the Court of Common Pleas of Dauphin County.

Compiler's Note: Section 14(a) of Act 185 of 1969 provided that the jurisdiction of the courts named in section 502 is vested in the Commonwealth Court and provided that section 502 is repealed insofar as it relates to the Court of Common Pleas of Dauphin County.

Section 503. Enforcement.--(a) The division or any person having a direct interest in the subject matter of this act may

complain, in writing, setting forth that any person is violating or is about to violate any provisions of this act or has done or is about to do any act, matter or thing therein prohibited or declared to be unlawful or has failed, omitted, neglected, or refuse or is about to fail, omit, neglect or refuse to perform any duty enjoined upon him by this act.

Upon the filing of a complaint against any person, the division shall cause a copy thereof to be served upon such person, by registered mail, accompanied by a notice from the division calling upon such person to satisfy the complaint or to answer the same, in writing, within such reasonable time as may be specified by the division in such notice.

If any person complained against, within the time specified by the division, shall satisfy the complaint, the division by order shall dismiss the complaint. If such person shall not satisfy the complaint within the time specified and it shall appear to the division from a consideration of the complaint and answer or otherwise that reasonable ground exists for investigating such complaint, it shall be the duty of the division to direct that a hearing be held in accordance with section 502. Following such hearing, the division shall, if it finds that the matter alleged in the complaint is not in violation of this act, dismiss the complaint but if the division should find that the complaint is justified it shall by appropriate order compel compliance with the act.

(b) Whenever the division shall be of the opinion that any person is violating or is about to violate any provisions of this act or has done or is about to do any act, matter or thing therein prohibited or declared to be unlawful or has failed, omitted, neglected or refused or is about to fail, omit, neglect or refuse to perform any duty, enjoined upon him by this act or has failed, omitted, neglected or refused or is about to fail, omit, neglect or refuse to obey any lawful requirement or order made by the division or any final judgment, order or decree made by any court pursuant to this act, then and in every such case, the division may institute in the Court of Common Pleas of Dauphin County or in the court of common pleas of the county or counties wherein the operation is situated, injunction, mandamus or other appropriate legal proceedings to restrain such violations of the provisions of this act or of orders of the division and to enforce obedience therewith and such courts of common pleas are hereby clothed with exclusive jurisdiction throughout the Commonwealth to hear or determine all such actions. No injunction bond shall be required to be filed in any such proceeding. Such persons or corporations as the court may deem necessary or proper to be joined as parties in order to make its judgment, order or writ effective, may be joined as parties. The final judgment in any such action or proceeding shall either dismiss the action or proceeding or direct that the writ of mandamus or injunction issue or be made permanent as prayed for in the petition or in such modified or other form as will afford appropriate relief. An appeal may be taken as in other civil actions.

(c) The Attorney General, in addition to the exercise of the powers and duties now conferred upon him by law, shall also,

upon request of the division or upon his own motion, proceed in the name of the Commonwealth by mandamus, injunction or quo warranto or other appropriate remedy, at law or in equity, to restrain violations of the provisions of this act or of orders of the division or the judgments, orders or decrees of any court or to enforce obedience therewith.

(d) Each remedy prescribed in this section shall be deemed concurrent or contemporaneous with any other remedy prescribed herein and the existence or exercise of any one such remedy shall not prevent the exercise of any other such remedy.

Section 504. Penalties.--Any person who shall wilfully violate any provisions of this act or any order of the Oil and Gas Division, issued pursuant to the provisions of this act, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be sentenced to pay a fine of not more than five hundred dollars (\$500), or undergo imprisonment of not more than one year, or both. Each day's continuance of such violation shall be a separate and distinct offense. (504 amended July 31, 1968, P.L.881, No.265)

Section 505. Effective Date.--This act shall take effect in sixty days.

ARTICLE VI
REGULATION OF CERTAIN UNDERGROUND
GAS STORAGE POOLS
NOT COVERED BY ARTICLE III
(Art. added Mar. 3, 1970, P.L.81,
No.38)

Section 601. Filing of Maps and Data by Persons Operating or Proposing to Operate Certain Gas Storage Reservoirs.--(a) Any person who, on the effective date of this article, is injecting gas into or storing gas in a storage reservoir not then subject to Article III of this act, by a process other than that of secondary recovery or gas recycling, shall, within such time in excess of sixty days as the division may fix, file with the division a copy of a map and certain data in the form and manner provided in this subsection.

Any person who, after the effective date of this article, proposes to inject or store gas in a storage reservoir in an area not covered by Article III of this act, by a process other than that of secondary recovery or gas recycling, shall file the required map and data with the division not less than six months prior to the starting of actual injection or storage.

The map provided for herein shall be prepared by a competent engineer or geologist. It shall show the stratum or strata in which the existing or proposed storage reservoir is or is to be located, the geographic location of the outside boundaries of the said storage reservoir, the location of all known oil or gas wells which have been drilled into or through the storage stratum within the reservoir or within three thousand linear feet thereof, indicating which of these wells have been or are to be cleaned out and plugged or reconditioned for storage and also indicating the proposed location of all additional wells

which are to be drilled within the storage reservoir or within three thousand linear feet thereof.

The following information, if available, shall be furnished for all known oil or gas wells which have been drilled into or through the storage stratum within the storage reservoir or within three thousand linear feet thereof, name of the operator, date drilled, total depth, depth of production if the well was productive of oil or gas, the initial rock pressure and volume, and a copy of the driller's log or other similar information. At the time of the filing of the aforesaid maps and data, such person shall file a detailed statement of what efforts he has made to determine (i) that the wells shown on said map are accurately located thereon and (ii) that, to the best of his knowledge, they are all the oil or gas wells which have ever been drilled into or below the storage stratum within the proposed storage reservoir. This statement shall also include information as to whether or not the initial injection is for testing purposes, the maximum pressure at which injection and storage of gas is contemplated and a detailed explanation of the methods to be used or which, theretofore, have been used in drilling, cleaning out, reconditioning and plugging wells in the storage reservoir. The map and data required to be filed hereunder shall be amended or supplemented semi-annually in case any material changes have occurred: Provided, however, That the division may require a storage operator to amend or supplement such map or data at more frequent intervals if material changes have occurred justifying such earlier filing.

(b) The storage operators shall give notice to the division of the name of each political subdivision and county in which said operator maintains and operates a gas storage reservoir.

(c) At the time of the filing of the above maps and data and the filing of amended or supplemented maps or data, the storage operator shall give written notice of said filing to such persons as the division may require. Such notices shall contain a description of the boundaries of such storage reservoir.

(d) For all purposes of this act, the outside boundaries of a storage reservoir shall be defined by the location of those wells around the periphery of the storage reservoir which had no gas production when drilled in said storage stratum: Provided, however, That the boundaries as thus defined shall be originally fixed or subsequently changed where, based (i) upon the number and nature of such wells, and (ii) upon the geological and production knowledge of the storage stratum, its character, permeability and distribution, and operating experience, it is determined in a conference or hearing under section 502 that modification should be made.

(601 added Mar. 3, 1970, P.L.81, No.38)

Section 602. Obligations to be Performed by Persons Operating Certain Storage Reservoirs.--(a) Any person who, on or after the effective date of this article, is operating or proposes to operate a storage reservoir, except one that is filled by the secondary recovery or gas recycling process, shall:

(1) Use every known method which is reasonable under the circumstances for discovering and locating all wells which have

or may have been drilled into or through the storage reservoir.

(2) Plug or recondition in the manner provided in Article II of this act all known wells (except to the extent otherwise provided in subsections (b) and (c) of this section) drilled into or through the storage reservoir.

(b) In order to meet the requirements of subsection (a) of this section, wells which are to be plugged shall be plugged in the manner specified in section 206. When a well located within the storage reservoir area has been plugged prior to the enactment of this act and on the basis of the data, information and other evidence submitted to the division it is determined that (i) such plugging was done in the manner required in section 206 or in a manner approved as an alternative method in accordance with section 207, and (ii) said plugging is still sufficiently effective to meet the requirements of this act, the obligations imposed by subsection (a) of this section as to plugging said well shall be considered fully satisfied.

(c) In order to meet the requirements of subsection (a) of this section, wells which are to be reconditioned shall be cleaned out from the surface through the storage horizon and the producing casing and such other casing strings which are determined not to be in good physical condition shall be replaced with new casing using the same procedure as is applicable to drilling a new well as provided for in this act. In the case of wells to be used for gas storage, the annular space between each string of casing and the annular space behind the largest diameter casing to the extent possible, shall be filled to the surface with cement or bentonitic mud or such nonporous material as is approved by the division pursuant to section 207. At least fifteen days prior to the time when a well is to be reconditioned, the storage operator shall give notice thereof to the division, setting forth in such notice the manner in which it is planned to recondition such well and any pertinent data known to the storage operator which will indicate the then existing condition of such well. In addition, the storage operator shall give such representative of the division as the deputy secretary shall have designated at least seventy-two hours notice of the time when such reconditioning is to begin. If no objections are raised by the division within ten days, the storage operator may proceed with the reconditioning in accordance with the plan as submitted. If any objections are made by the division, the division shall fix a time and place for a conference in accordance with section 502 at which conference the storage operator and the division shall endeavor to agree upon a plan of reconditioning which meets the requirements herein and which will satisfy such objections. If no plan is approved at such conference, the division shall direct that a hearing be held in accordance with section 502 and after such hearing shall, by an appropriate order, determine whether the plan as submitted meets the requirements set forth herein or what changes, if any, should be made to meet such requirements. If, in reconditioning a well in accordance with said plan, physical conditions are encountered which justify or necessitate a change in said plan, the storage operator may request that the plan be changed. If the request is denied, the

division shall arrange for a conference or hearing in accordance with section 502 to determine the matter in the same manner as set forth herein in connection with original objections to said plan. Applications may be made to the division in the manner prescribed in section 207 for approval of an alternative method of reconditioning a well. When a well located within the storage reservoir has been reconditioned prior to the enactment of this article, or was so drilled and equipped previously and on the basis of the data, information and other evidence submitted to the division, it is determined that:

(1) Such reconditioning or previous drilling and equipping was done in the manner required in this subsection or in a manner approved as an alternative method in accordance with section 207.

(2) Such reconditioning or previous drilling and equipping is still sufficiently effective to meet the requirements of this act, the obligations imposed by subsection (a) as to reconditioning said well shall be considered fully satisfied. Where a well requires emergency repairs, this subsection shall not be construed to require the storage operator to give the notices specified herein before making such repairs.

(d) The requirements of subsection (a) of this section shall not apply to the injection of gas into any stratum when the sole purpose of such injection (such purpose being herein referred to as testing) is to determine whether the said stratum is suitable for storage purposes: Provided, however, That such testing shall be conducted only in compliance with the following requirements:

(1) The person testing or proposing to test shall comply with all of the provisions and requirements of section 601 and shall verify the statement required to be filed thereby.

(2) The storage operator shall give at least six months' written notice to the division of the fact that injection of gas for testing purposes is proposed.

(3) If the division shall have any objections, the division shall fix a time and place for a conference in accordance with section 502, not more than ten days from the date of notice to the storage operator, at which conference the storage operator and the division shall attempt to agree, on the questions involved. If such agreement cannot be reached at such conference, the division shall direct that a hearing be held in accordance with section 502. At such hearing, the division shall determine and set forth in an appropriate order, the conditions and requirements which it shall deem necessary or advisable in order to prevent gas from escaping from such storage reservoir. The storage operator shall comply with such conditions and requirements throughout the period of the testing operations. In determining such conditions and requirements, the division shall take into account the extent to which the matters referred to in subsection (a) of this section have been performed. If, in carrying out said order the storage operator encounters or discovers conditions which were not known to exist at the time of the hearing and which materially affect said order or the ability of the storage operator to comply with the order, the operator may apply for a rehearing or modification of said order.

(e) If, in any proceeding under this act, the division shall determine that any operator of a storage reservoir has failed to carry out any lawful order of the division issued under this act, the division shall have authority to require such storage operator to suspend the operation of such reservoir and to withdraw the gas therefrom until such violation is remedied. In such an event the gas shall be withdrawn under the following conditions: the storage operator shall remove the maximum amount of gas which is required by the division to be removed from the storage reservoir that can be withdrawn in accordance with recognized engineering and operating procedures, and shall proceed with due diligence in so far as existing facilities used to remove gas from the reservoir will permit.

(f) In addition to initial compliance with the other provisions of this act and any lawful orders issued thereunder, it shall be the duty, at all times, of the person owning or operating any storage reservoir which is subject to the provisions of this article, to keep all wells drilled into or through the storage reservoir in such condition and to operate the same in such manner as to prevent the escape of gas therefrom and to operate and maintain such storage reservoir and its facilities in such manner and at such pressures as will prevent gas from escaping from such reservoir or its facilities but in no case shall such pressure exceed the highest rock pressure found to have existed during the production history of the reservoir, or such other higher pressure as the division may approve after conference or hearing under section 502 based upon geological and production knowledge of the reservoir, its character, permeability distribution and operating experience: Provided, That this duty shall not be construed to include the inability to prevent the escape of gas where such escape results from an act of God or an act of any person not under the control of the storage operator other than in connection with any well which the storage operator has failed to locate and to make known to the division: Provided, however, That, if any escape of gas does result from an act of God or an act of any person not under the control of the storage operator, the storage operator shall be under the duty of taking such action thereafter as is reasonably necessary to prevent further escape of gas.

(602 added Mar. 3, 1970, P.L.81, No.38)