AN ACT
Relating to conventional wells and the development of oil, gas and coal; imposing powers and duties on the Department of Environmental Protection; providing for preliminary provisions, for general requirements, for enforcement and remedies, for related funds and for miscellaneous provisions; and making an appropriation.

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

CHAPTER 1
PRELIMINARY PROVISIONS

Section 101. Short title.
This act shall be known and may be cited as the Conventional Oil and Gas Wells Act.

Section 102. Scope of chapter.
This act relates to conventional oil and gas development.

Section 103. Declaration of purpose of act.
The purposes of this act are to:

(1) Permit optimal development of oil and gas resources in this Commonwealth consistent with the property rights of owners of the oil and gas resources and the protection of the
health, safety, environmental and property rights of Pennsylvania citizens.

(2) Protect the safety of personnel and facilities employed in coal mining or exploration, development, storage and production of natural gas or oil.

(3) Protect the safety and property rights of persons residing in areas where mining, exploration, development, storage or production occurs.

(4) Protect the natural resources, environmental rights and values secured by the Constitution of Pennsylvania.

Section 104. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Abandoned well." Any of the following:

(1) A well:

   (i) that has not been used to produce, extract or inject any gas, petroleum or other liquid within the preceding 12 months;

   (ii) for which equipment necessary for production, extraction or injection has been removed; or

   (iii) that is considered dry and not equipped for production within 60 days after drilling, redrilling or deepening.

(2) The term does not include wells granted inactive status.

"Additive." A hydraulic fracturing chemical.

"Alteration." An operation which changes the physical characteristics of a well bore, including stimulation or removing, repairing or changing the casing. For the purpose of
this act only, the term does not include:

(1) Repairing or replacing the casing if the activity does not affect the depth or diameter of the well bore, the use or purpose of the well does not change and the activity complies with regulations promulgated under this act, except that this exclusion does not apply:

   (i) to production casings in coal areas when the production casings are also the coal protection casings;
   or

   (ii) when the method of repairing or replacing the casing would affect the coal protection casing.

(2) Stimulation of a well.

"Bodies of water." A natural or artificial lake, pond, reservoir, swamp, marsh or wetland.

"Bridge." An obstruction placed in a well at any depth.

"Building." An occupied structure with walls and roof, within which persons live or customarily work.

"Casing." A string or strings of pipe commonly placed in wells drilled for natural gas or petroleum.

"Cement" or "cement grout." Any of the following:

   (1) Hydraulic cement properly mixed with water only.

   (2) A mixture of materials adequate for bonding or sealing of well bores as approved by regulations promulgated under this act.

"Certified mail." Any verifiable means of paper document delivery that confirms receipt of the document by the intended recipient or the attempt to deliver the document to the proper address for the intended recipient.

"Chemical." Any element, chemical compound or mixture of elements or compounds that has its own specific name or
identity, such as a chemical abstract service number.

"Coal mine." An operation in a coal seam, which shall include the following:

(1) Excavated and abandoned portions as well as the places actually being worked.

(2) Underground workings and shafts, slopes, tunnels and other ways and openings.

(3) Shafts, slopes, tunnels and other openings in the course of being sunk or driven.

(4) Roads and facilities connected below the surface with the items listed under paragraphs (1), (2) and (3).

"Coal operator." A person who proposes or has a permit to operate or operates a coal mine either as owner or lessee.

"Communicate." A transfer of measurable pressure or fluid flow from a well undergoing hydraulic fracturing to an offset well. The transfer of pressure or fluid may be evidenced at the well undergoing hydraulic fracturing.

"Completion of a well." 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 that the well is abandoned.

"Conventional well." A bore hole drilled or being drilled for the purpose of, or to be used for, construction of a well regulated under this act that is not an unconventional well, irrespective of technology or design. The term includes, but is not limited to:

(1) Wells drilled to produce oil.

(2) Wells drilled to produce natural gas from formations other than shale formations.

(3) Wells drilled to produce natural gas from shale formations located above the base of the Elk Group or its
stratigraphic equivalent.

(4) Wells drilled to produce natural gas from shale formations located below the base of the Elk Group where natural gas can be produced at economic flow rates or in economic volumes without the use of vertical or nonvertical well bores stimulated by hydraulic fracture treatments or multilateral well bores or other techniques to expose more of the formation to the well bore.

(5) Irrespective of formation, wells drilled for collateral purposes, such as monitoring, geologic logging, secondary and tertiary recovery or disposal injection.


"Department." The Department of Environmental Protection of the Commonwealth.

"Drilling." The drilling or redrilling of a well or the deepening of an existing well.

"Fresh groundwater." Water in that portion of the generally recognized hydrologic cycle which occupies the pore spaces and fractures of saturated subsurface materials.

"Gas." Any of the following:

(1) A fluid, combustible or noncombustible, which is produced in a natural state from the earth and maintains a gaseous or rarified state at standard temperature of 60 degrees Fahrenheit and pressure 14.7 PSIA.

(2) Any manufactured gas, by-product gas or mixture of gases or natural gas liquids.

"Home or consumptive use well." A conventional well producing natural gas solely for consumptive use by the owner of the well.
"Hydraulic fracturing chemical." A chemical substance or combination of substances, including any chemicals and proppants, that is intentionally added to a base fluid for purposes of preparing a stimulation fluid for use in hydraulic fracturing.

"Inactivate." To shut off the vertical movement of gas in a gas storage well by means of a temporary plug or other suitable device or by injecting bentonitic mud or other equally nonporous material into the well.

"Linear foot." A unit or measurement in a straight line on a horizontal plane.

"Noncoal area." An area where there are no workable coal seams.

"Notice." For the purpose of providing nonrequired notice to the department, includes notice provided by telephone, e-mail or other available electronic means, unless a specific form of, or location for, notice is required by this act, regulation or otherwise established by the department.

"Oil." Hydrocarbons in liquid form at standard temperature of 60 degrees Fahrenheit and pressure 14.7 PSIA, also referred to as petroleum.

"Operating coal mine." The portion of a workable coal seam which is covered by an underground mining permit issued by the department.

"Operating well." A well that is not plugged and abandoned.

"Operator." A well operator.

"Orphan well." A well abandoned prior to April 18, 1985, that has not been affected or operated by the present owner or operator and from which the present owner, operator or lessee has received no economic benefit other than as a landowner or
recipient of a royalty interest from the well.

"Outside coal boundaries." When used in conjunction with the term "operating coal mine," the boundaries of the coal acreage assigned to the coal mine under an underground mine permit issued by the department.

"Owner." A person who owns, manages, leases, controls or possesses a well or coal property. The term does not apply to orphan wells, except where the department determines a prior owner or operator benefited from the well as provided in section 311(a).

"Person." An individual, association, partnership, corporation, political subdivision or agency of the Federal Government, State government or other legal entity.

"Petroleum." Hydrocarbons in liquid form at standard temperature of 60 degrees Fahrenheit and pressure 14.7 PSIA, also referred to as oil.

"Pillar." A solid block of coal surrounded by either active mine workings or a mined-out area.

"Plat." A map, drawing or print accurately drawn to scale showing the proposed or existing location of a well or wells.

"Retreat mining." Removal of coal pillars, ribs and stumps remaining after development mining has been completed in that section of a coal mine.

"Secretary." The Secretary of Environmental Protection of the Commonwealth.

"Unpaved road." Road surfaces consisting of dirt, gravel or natural materials other than concrete or asphalt.

"Watercourse." A channel or conveyance of surface water having defined bed and banks, whether natural or artificial, with perennial or intermittent flow.
"Water purveyor." Any of the following:

(1) The owner or operator of a public water system as defined in section 3 of the act of May 1, 1984 (P.L.206, No.43), known as the Pennsylvania Safe Drinking Water Act.

(2) Any person subject to the act of June 24, 1939 (P.L.842, No.365), referred to as the Water Rights Law.

"Waters of the Commonwealth." As defined under section 1 of the act of June 22, 1937 (P.L.1987, No.394), known as The Clean Streams Law.

"Well." A bore hole drilled or being drilled for the purpose of or to be used for producing, extracting or injecting gas, petroleum or another liquid related to oil or gas production or storage, including brine disposal, but excluding a bore hole drilled to produce potable water. The term does not include a bore hole drilled or being drilled for the purpose of or to be used for:

(1) Systems of monitoring, producing or extracting gas from solid waste disposal facilities, if the bore hole is a well subject to the act of July 7, 1980 (P.L.380, No.97), known as the Solid Waste Management Act, which does not penetrate a workable coal seam.

(2) Degasifying coal seams, if the bore hole is:

   (i) (A) used to vent methane to the outside atmosphere from an operating coal mine;

   (B) regulated as part of the mining permit under The Clean Streams Law, and the act of May 31, 1945 (P.L.1198, No.418), known as the Surface Mining Conservation and Reclamation Act; and

   (C) drilled by the operator of the operating coal mine for the purpose of increased safety; or
(ii) used to vent methane to the outside atmosphere under a federally funded or State-funded abandoned mine reclamation project.

"Well control emergency." An incident during drilling, operation, workover or completion that, as determined by the department, poses a threat to public health, welfare or safety, including a loss of circulation fluids, kick, casing failure, blowout, fire and explosion.

"Well control specialist." Any person trained to respond to a well control emergency with a current certification from a well control course accredited by the International Association of Drilling Contractors or other organization approved by the department.

"Well operator." Any of the following:

(1) The person designated as operator or well operator on the permit application or well registration.

(2) If a permit or well registration was not issued, a person who locates, drills, operates, alters or plugs a well or reconditions a well with the purpose of production from the well.

(3) If a well is used in connection with underground storage of gas, a storage operator.

"Well site." The areas occupied by equipment or facilities necessary for or incidental to drilling, completion, production or plugging a well. The term shall include auxiliary pads, staging areas, access roads and tank batteries.

"Wetland." Areas inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support, and which normally support, a prevalence of vegetation typically adapted for life in saturated soil conditions, including swamps,
marshes, bogs and similar areas.

"Workable coal seams." The term includes:

(1) A coal seam in fact being mined in the area in question under this act by underground methods.

(2) A coal seam which, in the judgment of the department, can reasonably be expected to be mined by underground methods.

CHAPTER 3

GENERAL REQUIREMENTS

Section 301. Well permits.

(a) Permit required.--No person shall construct a well site, drill or alter a well, except for alterations which satisfy the requirements of subsection (j), without having first obtained a well permit under subsections (b), (c), (d) and (e), or operate an abandoned or orphan well unless in compliance with subsection (k). A copy of the permit shall be kept at the well site during preparation and construction of the well site or access road during drilling or alteration of the well. No person shall be required to obtain a permit to redrill a nonproducing well if the redrilling:

(1) has been evaluated and approved as part of an order from the department authorizing cleaning out and plugging or replugging a nonproducing well under section 13(c) of the act of December 18, 1984 (P.L.1069, No.214), known as the Coal and Gas Resource Coordination Act; and

(2) is incidental to a plugging or replugging operation and the well is plugged within 15 days of redrilling.

(b) Plat.--

(1) The permit application shall be accompanied by a complete and accurate plat prepared by a person trained in
the preparation of plats on forms furnished by the department, which shall contain the following:

(i) the political subdivision and county in which the tract of land upon which the well to be drilled, operated or altered is located;

(ii) the name of the surface landowner of record and lessor;

(iii) the name of all surface landowners and water purveyors whose water supplies are within 1,000 feet of the proposed well location;

(iv) the name of the owner of record or operator of all known underlying workable coal seams, if any;

(v) the acreage in the tract to be drilled;

(vi) the proposed location of the well determined by plat, along with the courses and distances of the location from two or more permanent identifiable points or landmarks on the tract boundary corners;

(vii) the proposed angle and direction of the well if the well is to be deviated substantially from a vertical course;

(viii) the number or other identification to be given to the well;

(ix) the workable coal seams underlying the tract of land upon which the well is to be drilled or altered and which shall be cased off under section 307; and

(x) any other information needed by the department to administer this chapter.

(2) The applicant shall forward by certified mail a copy of the plat to the:

(i) surface landowner;
(ii) the municipality in which the tract of land
upon which the well to be drilled is located;
(iii) all surface landowners and water purveyors,
whose water supplies are within 1,000 feet of the
proposed well location;
(iv) the owner and lessee of any workable coal
seams; and
(v) each coal operator required to be identified on
the well permit application.

(b.1) Notification.—

(1) The applicant shall submit proof of notification
with the well permit application. Notification of surface
owners shall be performed by sending notice to those persons
to whom the tax notices for the surface property are sent, as
indicated in the assessment books in the county in which the
property is located. Notification of surface landowners or
water purveyors shall be on forms, and in a manner prescribed
by the department, sufficient to identify the rights afforded
those persons under section 308 and to advise them of the
advantages of taking their own predrilling or prealteration
survey.

(2) With respect to a coal operator, lessee or owner, if
any, notification shall be accomplished under this section by
sending notice to the persons to whom tax notices for the
workable coal seams are sent, as indicated in the assessment
books, if available, or as indicated in the records of the
recorder of deeds office in the county in which such seams
are located. If certified mail or notification is returned
undeliverable, the applicant shall include a completed
affidavit attesting to the attempted delivery, which shall
satisfy the notification requirements under this section.

(b.2) Approval.--If the applicant submits to the department written approval of the proposed well location by the surface landowner and the coal operator, lessee or owner of any workable coal underlying the proposed well location and no objections are raised by the department within 15 days of filing, or if no approval has been submitted and no objections are made to the proposed well location within 15 days from receipt of notice by the department, the surface landowner or any coal operator, lessee or owner, the written approval shall be filed and become a permanent record of the well location, subject to inspection at any time by any interested person. The application form to operate an abandoned or orphan well shall provide notification to the applicant of its responsibilities to plug the well upon abandonment.

c) Applicants.--If the applicant for a well permit is a corporation, partnership or person that is not a resident of this Commonwealth, the applicant shall designate the name and address of an agent for the operator who shall be the attorney-in-fact for the operator and who shall be a resident of this Commonwealth upon whom notices, orders or other communications issued under this chapter may be served and upon whom process may be served. Each well operator required to designate an agent under this section shall, within five days after termination of the designation, notify the department of the termination and designate a new agent.

d) (Reserved).

e) Issuance of permit.--The department shall issue a permit within 45 days of submission of a permit application unless the department denies the permit application for one or more of the
reasons set forth in subsection (e.1), except that the
department shall have the right to extend the period for 15 days
for cause shown upon notification to the applicant of the
reasons for the extension. The department may impose permit
terms and conditions necessary to assure compliance with this
chapter or other laws administered by the department.

(e.1) Denial of permit.--The department may deny a permit
for any of the following reasons:

(1) The well site for which a permit is requested is in
violation of any of this chapter or issuance of the permit
would result in a violation of this chapter or other
applicable law.

(2) The permit application is incomplete.

(3) Unresolved objections to the well location by the
coal mine owner or operator remain.

(4) The requirements of section 316 have not been met.

(5) The department finds that the applicant, or any
parent or subsidiary corporation of the applicant, is in
continuing violation of this chapter, any other statute
administered by the department, any regulation promulgated
under this chapter or a statute administered by the
department or any plan approval, permit or order of the
department, unless the violation is being corrected to the
satisfaction of the department. The right of the department
to deny a permit under this paragraph shall not take effect
until the department has taken a final action on the
violations and:

(i) the applicant has not appealed the final action
in accordance with the act of July 13, 1988 (P.L.530,
No.94), known as the Environmental Hearing Board Act; or
(ii) if an appeal has been filed, no supersedeas has been issued.

(f) Drilling.--

(1) Upon issuance of a permit, the well operator may drill, operate or alter at the exact location shown on the plat after providing the department, the surface landowner and the local political subdivision in which the well is to be located 24 hours' notice of the date that drilling will commence. Notification to the department must be provided electronically. If there is a break in drilling of 30 days or more, the well operator shall notify the department at least 24 hours prior to the resumption of drilling.

(2) Prior to drilling each additional project well, the well operator shall notify the department and provide reasonable notice of the date on which drilling will commence.

(3) Whenever, before or during the drilling of a well not within the boundaries of an operating coal mine, the well operator encounters conditions of a nature which renders drilling of the bore hole or a portion thereof impossible, or more hazardous than usual, the well operator, upon verbal notice to the department, may immediately plug all or part of the bore hole, if drilling has occurred, and commence a new bore hole not more than 50 feet from the old bore hole if the location of the new bore hole does not violate section 305 and, in the case of a well subject to act of July 25, 1961 (P.L.825, No.359), known as the Oil and Gas Conservation Law, if the new location complies with existing laws, regulations and spacing orders and the new bore hole is at least 330 feet from the nearest lease boundary.
If drilling occurred at the original well bore, within 10 days of commencement of the new bore hole, the well operator shall file with the department a written notice of intention to plug, a well record, a completion report, a plugging certificate for the original bore hole and an amended plat for the new bore hole.

The well operator shall forward a copy of the amended plat to the surface landowner identified on the well permit application within 10 days of commencement of the new well bore.

Labeling.--The well operator shall install the permit number issued by the department in a legible, visible and permanent manner on the well upon completion.

Expiration.--Well permits issued for drilling wells under this chapter shall expire three years after issuance unless operations for drilling the well are commenced within the period and pursued with due diligence or unless the permit is renewed in accordance with regulations of the department. If drilling is commenced during the permit term, the well permit shall remain in force until the well is plugged in accordance with section 311 or the permit is revoked. A drilling permit issued prior to April 18, 1985, for a well which is an operating well on April 18, 1985, shall remain in force as a well permit until the well is plugged in accordance with section 311.

Exceptions.--The Environmental Quality Board may establish by regulation certain categories of alterations of permitted or registered wells for which permitting requirements of this section shall not apply. A well operator or owner who proposes to conduct the alteration activity shall first obtain a permit or registration modification from the department.
Environmental Quality Board shall promulgate regulations as to the requirements for modifications.

(j) No transfer permitted.--No permit issued under this section or registration issued under section 303 may be transferred without prior approval of the department. A request for approval of a transfer shall be on the forms, and in the manner, prescribed by the department. Transfer of a home or consumptive use well requires a bond for the well and the well site on forms prescribed by the department in an amount sufficient to plug the well and restore the well site, as determined by the department. A bond filed with a transfer request for a home or consumptive use well shall be payable to the Commonwealth and conditioned on the transferee's faithful performance of all water supply replacement, restoration and plugging requirements of this chapter. The department shall approve or deny a transfer request within 45 days of receipt of a complete and accurate application. The department may deny a request only for reasons set forth in subsection (e.1)(1), (4) and (5) or if the well is abandoned. Approval of a transfer request shall permanently transfer responsibility to plug the well under section 311 to the recipient of the transferred permit or registration.

(k) Regulations.--The Environmental Quality Board may establish by regulation requirements for the permitting and operation of abandoned or orphan wells. A person who proposes to conduct abandoned or orphan well operations shall first obtain a permit to operate an abandoned or orphan well.

Section 302. Permit objections.

(a) General rule.--If a well referred to in section 301(b) will be located on a tract whose surface is owned by a person
other than the well operator, the surface landowner affected shall be notified of the intent to drill and may file objections, in accordance with section 501, based on the assertion that the well location violates section 305 or that information in the application is untrue in any material respect, within 15 days of the receipt by the surface owner of the plat under section 301(b). Receipt of notice by the surface owner shall be presumed to have occurred 15 days from the date of the certified mailing when the well operator submits a copy of the certified mail receipt sent to the surface owner and an affidavit certifying that the address of the surface owner to which notice was sent is the same as the address listed in the assessment books in the county where the property is located. If no objection is filed or none is raised by the department within 15 days after receipt of the plat by the surface landowner or if written approval by the surface landowner is filed with the department and no objection is raised by the department within 15 days of filing, the department shall proceed to issue or deny the permit.

(b) Special circumstances.--If a well location referred to in section 301(b) is made so that the well, when drilled, will penetrate anywhere within the outside coal boundaries of:

   (1) an operating coal mine; or
   
   (2) a coal mine already projected and platted, but not yet being operated, for which a technically complete mine permit application has been filed with the department or within 1,000 linear feet beyond the boundaries and the well, when drilled, or the pillar of coal around the well will, in the reasonable opinion of the coal owner or operator, endanger the mine, the coal owner or operator affected shall
have the right to file objections in accordance with section 501 to the proposed location within 15 days of the receipt by the coal operator of the plat provided for in section 301(b).

(c) Alternative location.--If possible, an alternative location at which the proposed well could be drilled to overcome objections under this section shall be indicated.

(d) Failure to object.--If no objection to the proposed location is filed under this section or if none is raised by the department within 15 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 department and no objection is raised by the department within 15 days of filing, the department shall proceed to issue or deny the permit.

(e) Procedure upon objection.--If an objection is filed by a coal operator or owner or made by the department, the department shall fix a time and place for a conference under section 501 not more than 10 days from the date of service of the objection to allow the parties to consider the objection and attempt to agree on a location. If the parties fail to agree, the department, by an appropriate order, shall determine a location on the tract of land as near to the original location as possible where, in the judgment of the department, the well can be safely drilled without unduly interfering with or endangering the mine as defined in subsection (b). The new location agreed upon by the parties or determined by the department shall be indicated on the plat on file with the department and become a permanent record upon which the department shall proceed to issue or deny the permit.

(f) Survey.--Within 120 days after 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, file the results of the survey with
the department and forward a copy by certified mail to the well
operator.

Section 303. Well adoption and identification.

(a) General rule.--Each person who owns or operates a well
in existence prior to the effective date of this section, which
has not been registered with the department and for which no
drilling permit has been issued by the department, shall apply
to adopt the well using forms developed by the department. No
fee shall be charged for well adoption unless the well must also
be altered in accordance with section 301 prior to operation.

(b) Orphan and abandoned wells.--A well owner, well operator
or other person discovering an abandoned well on property
purchased or leased by the well owner, well operator or other
person shall identify it to the department within 60 days of
discovery and advise the department that the operator is seeking
classification of the well as an orphan well or abandoned well.
The classification request shall include any available
information relating to the well's operating and ownership
interests. No fee shall be required for identification.

(c) Area of review.--An operator shall undertake reasonable
diligence to avoid inadvertent communication with abandoned,
orphan, plugged, active and inactive wells during hydraulic
fracturing by conducting an area of review investigation
consisting of the following:

(1) Review of records and reports.

(2) Field investigation.

(3) Nontrespass monitoring of orphan and abandoned
wells.
The area of review shall consist of the area of the operator's oil and gas operating interest within half the well field spacing of a vertical well or half the well field distances of the lateral portion of a horizontal conventional well.

(d) Notice.--An operator shall provide notice to the department as soon as practicable if a well undergoing hydraulic fracturing communicates with any abandoned, orphan, plugged, active or inactive well in a manner that has the potential to cause an adverse environmental, public health or safety impact. In a coal area in which the affected well is within an active mine or 2,000 linear feet or less from an active mine, the coal operator shall also be notified as soon as practicable.

(e) Remedial actions.--An operator inadvertently communicating with any abandoned, orphan, plugged, active or inactive well shall implement remedial actions necessary to prevent pollution and protect the environment, public health and safety. Remedial actions may include, but are not limited to, cessation of hydraulic fracturing and plugging.

(f) Permit required.--A person who proposes to operate an orphan or abandoned well affected by hydraulic fracturing operations shall first obtain a permit to adopt and operate the well in accordance with subsection (a) if the well complies with the spacing requirements in coal areas under the act of December 18, 1984 (P.L.1069, No.214), known as the Coal and Gas Resource Coordination Act, or for wells subject to the act of July 25, 1961 (P.L.825, No.359), known as the Oil and Gas Conservation Law.

(g) Regulations.--The Environmental Quality Board shall have the authority to adopt regulations regarding the area of review provisions under subsections (c), (d) and (e).
Section 304. Inactive status.

(a) General rule.--Within 60 days of receipt of an application for inactive status, the department may grant inactive status for a period of five years for a permitted or registered well, if the following requirements are met:

1. the condition of the well is sufficient to prevent damage to the producing zone or contamination of fresh water or other natural resources or surface leakage of any substance;
2. the condition of the well is sufficient to stop the vertical flow of fluids or gas within the well bore and is adequate to protect freshwater aquifers, unless the department determines the well poses a threat to the health and safety of persons or property or to the environment;
3. the operator anticipates construction of a pipeline or future use of the well for primary or enhanced recovery, gas storage, approved disposal or other appropriate uses related to oil and gas well production; and
4. the applicant satisfies the bonding requirements of sections 303 and 316.

(b) Determination.--If the department has not made a final determination on an application for inactive status within 60 days, the well will be considered inactive for purposes of compliance with the reporting requirements under this chapter until the department makes a final determination on the application for inactive status.

(c) Monitoring.--The owner or operator of a well granted inactive status shall:

1. be responsible for monitoring the mechanical integrity of the well to ensure that the requirements of
subsection (a)(1) and (2) are met;

(2) submit a report on an annual basis to the department in a manner and form as provided by the department that demonstrates that the well complies with subsection (a)(1), (2) and (3); and

(3) if granted under subsection (a), immediately notify the department when the well no longer meets the requirements of subsection (a) and plug the well in accordance with section 311 or repair the well in order to meet the requirements of subsection (a)(1) and (2).

(d) Return to active status.--A well granted inactive status under subsection (a) or (b) shall be plugged in accordance with section 311 or returned to active status within five years of the date inactive status commenced, unless the owner or operator applies for an extension of inactive status which may be granted once for up to five years if the department determines that the owner or operator has demonstrated an ability to continue meeting the requirements of this section and the owner or operator certifies that the well will be of future use within a reasonable period of time. An owner or operator who has been granted inactive status for a well which is returned to active status prior to expiration of the five-year period set forth in subsection (a) shall notify the department that the well has been returned to active status and shall not be permitted to apply for another automatic five-year period of inactive status for the well. The owner or operator may make an application to return the well to inactive status, and the application may be approved on a year-to-year basis if the department determines that the owner or operator has demonstrated an ability to continue meeting the requirements of this section and the owner of the well.
or operator certifies that the well will be of future use within a reasonable period of time. The department shall approve or deny an application to extend a period of inactive status or to return a well to inactive status within 60 days of receipt of the application, and the application shall not be unreasonably denied. If the department has not completed its review of the application within 60 days, the inactive status shall continue until the department has made a determination on the request. An owner or operator may under no circumstances extend the total period of inactive status for a well beyond 10 years unless the operator files a bond on forms prescribed by the department in an amount sufficient to plug the well and restore the well site as determined by the department. A bond filed for an inactive status well shall be payable to the Commonwealth and conditioned on the operator's faithful performance of all water supply replacement, restoration and plugging requirements of this chapter. If the department denies an application to extend the period of inactive status or to return a well to inactive status, a well owner or operator aggrieved by the denial shall have the right to appeal the denial to the Environmental Hearing Board within 30 days of receipt of the denial. Upon cause shown by a well owner or operator, the board may grant a supersedeas under section 4 of the act of July 13, 1988 (P.L.530, No.94), known as the Environmental Hearing Board Act, so that the well in question may retain inactive status during the period of the appeal.

(e) Revocation of inactive status.--The department may revoke inactive status and order immediate plugging of a well if the well is in violation of this chapter or rules or regulations promulgated under this chapter or if the owner or operator
demonstrates inability to perform obligations under this chapter or becomes financially insolvent, or upon receipt by the department of notice of bankruptcy proceedings by the permittee.

Section 305. Well location restrictions.

(a) General rule.--Wells may not be drilled within 200 feet measured horizontally from the vertical well bore to a building or water well, existing when the copy of the plat is mailed as required by section 301(b) without written consent of the owner of the building or water well. If consent is not obtained and the distance restriction would deprive the owner of the oil and gas rights of the right to produce or share in the oil or gas underlying the surface tract, the well operator shall be granted a variance from the distance restriction upon submission of a plan identifying the additional measures, facilities or practices as prescribed by the department to be employed during well site construction, drilling and operations. The variance shall include additional terms and conditions required by the department to ensure safety and protection of affected persons and property, including insurance, bonding, indemnification and technical requirements. Notwithstanding section 301(e), if a variance request has been submitted, the department may extend its permit review period for up to 15 days upon notification to the applicant of the reasons for the extension.

(b) Limitation.--

(1) No well site may be prepared or well drilled within 100 feet from the vertical well bore or 100 feet from the edge of the well site, whichever is greater, measured horizontally from any solid blue lined stream, spring or body of water as identified on the most current 7.5-minute topographic quadrangle map of the United States Geological
Survey or within 100 feet of any wetlands greater than one
acre in size.

(2) The department may waive the distance restrictions
upon submission of a plan identifying additional measures,
facilities or practices to be employed during well site
construction, drilling and operations necessary to protect
the waters of the Commonwealth. The waiver, if granted, shall
include additional terms and conditions required by the
department necessary to protect the waters of the
Commonwealth. Notwithstanding section 301(e), if a waiver
request has been submitted, the department may extend its
permit review period for up to 15 days upon notification to
the applicant of the reasons for the extension.

(c) Impact.--On making a determination on a well permit, the
department shall consider the impact of the proposed well on
public resources, including:

(1) Publicly owned parks, forests, game lands and
wildlife areas.

(2) National or State scenic rivers.

(3) National natural landmarks.

(4) Habitats of threatened and endangered flora and
fauna that are listed in a final rulemaking by a Federal or
State agency with the statutory authority to list species for
protection.

(5) Historical and archaeological sites listed on the
Federal or State list of historic places.

(6) Sources used for public drinking supplies in
accordance with subsection (b).

(d) Limitation.--The department's consideration of impacts
to public natural resources under subsection (c)(1) is limited
to publicly owned property for which the Commonwealth has
trustee obligations and does not alter or affect the dominance
of the subsurface estate or the rights of oil and gas owners to
optimize the development of their subsurface property.

(e) (D) Standard of proof.--Any permit conditions imposed
under this section must be based upon clear and convincing
evidence of long term adverse impact to a public resource and
shall be developed in accordance with section 301(e).

(f) (E) Regulation criteria.--The Environmental Quality
Board shall develop the following criteria by regulation:

(1) For the department to utilize for conditioning a
well permit based on its impact to the public resources
identified under subsection (c) and for ensuring optimal
development of oil and gas resources and respecting property
rights of oil and gas owners.

(2) For appeal to the Environmental Hearing Board of a
permit containing conditions imposed by the department. The
regulations shall also provide that the department has the
burden of proving that the conditions were necessary to
protect against a probable harmful impact of the public
resources.

(g) (F) Floodplains.--

(1) At well sites located within floodplains, water,
chemicals, fuels, hazardous materials or solid waste may be
stored temporarily during drilling or completion in
accordance with best practices. After the effective date of
this section, no permanent tank location may be constructed
within a floodplain without a waiver.

(2) The department may waive a restriction under this
act upon a permanent tank location upon submission of a plan
that shall identify the additional measures, facilities or practices to be employed. The waiver, if granted, shall impose permit conditions necessary to protect the waters of the Commonwealth.

(G) Best practices required.--

(1) Best practices as determined by the department to ensure the protection of the waters of the Commonwealth must be utilized for the storage and handling of all water, chemicals, fuels, hazardous materials or solid waste on a well site located in a floodplain. The department may request that the well site operator submit a plan for the storage and handling of the materials for approval by the department and may impose conditions or amend permits to include permit conditions as are necessary to protect the environment, public health and safety.

(2) Unless otherwise specified by the department, the boundary of the floodplain shall be as indicated on maps and flood insurance studies provided by the Federal Emergency Management Agency. In an area where no Federal Emergency Management Agency maps or studies have defined the boundary of the 100-year frequency floodplain, absent evidence to the contrary, the floodplain shall extend from:

(i) any perennial stream up to 100 feet horizontally from the top of the bank of the perennial stream; or

(ii) any intermittent stream up to 50 feet horizontally from the top of the bank of the intermittent stream.

(H) Applicability.--

(1) This section shall not apply to a well proposed to be drilled on an existing well site for which at least one
well permit has been issued prior to the effective date of this section.

(2) Nothing in this section shall alter or abridge the terms of any contract, mortgage or other agreement entered into prior to the effective date of this section.

Section 306. Well site restoration.

(a) General rule.--Each oil or gas well owner or operator shall restore the land surface within the area disturbed in sitting, drilling, completing, producing and plugging the well. Unless a landowner's consent is obtained, restoration shall include, but is not limited to, reclamation of the land affected to preconstruction contours so that it:

(1) closely resembles the general surface configuration of the land prior to construction activities, if known;

(2) blends into and complements the drainage pattern of the surrounding terrain; and

(3) supports the land uses that existed prior to the applicable oil and gas operations and to the extent practicable based on current land conditions.

(b) Plan.--During and after earthmoving or soil disturbing activities, including, but not limited to, activities related to sitting, drilling, completing, producing and plugging the well, erosion and sedimentation control and storm water management measures shall be implemented in accordance with a plan prepared in accordance with the act of June 22, 1937 (P.L.1987, No.394), known as The Clean Streams Law. For purpose of determining the five-acre permit threshold under The Clean Streams Law, the well site project includes only the construction of the well site and new portions of access roads; well sites and new portions of access roads concurrently under construction along an existing
common access road are to be considered part of the same well site project. Existing well sites restored prior to drilling and completing the wells are not considered to be part of new well site projects.

(c) Pits, drilling supplies and equipment.—Within nine months after the completion of drilling of a well or expiration of the well permit, the owner or operator shall restore the well site and remove or fill all pits used to contain produced fluids or industrial wastes and remove all drilling supplies and equipment not needed for production. Drilling supplies or other equipment required for future repairs, operations or drilling upon the oil and gas premises of which the well site is a portion may be stored on the well site consistent with the property rights of the owner of the oil and gas resources or if the express written consent of the surface landowner is obtained.

(d) Items related to production or storage.—Within nine months after plugging a well, the owner or operator shall remove all production or storage facilities, supplies and equipment and restore the well site.

(e) Clean Streams Law.—Restoration activities required under this act or in regulations promulgated under this act shall also comply with all applicable provisions of The Clean Streams Law.

(f) Violation of chapter.—Failure to restore a well site as required under this act or regulations promulgated under this act constitutes a violation of this chapter.

(g) Extension.—

(1) The restoration period may be extended by the department for an additional period of time not to exceed two
years upon demonstration by the well owner or operator that:

(i) the extension will result in less earth disturbance, increased water reuse or more efficient development of the resources; or

(ii) site restoration cannot be achieved due to adverse weather conditions or a lack of essential fuel, equipment or labor.

(2) The demonstration under paragraph (1) shall do all of the following:

(i) Include a site restoration plan that shall provide for:

   (A) the timely removal or fill of all pits used to contain produced fluids or industrial wastes;

   (B) the removal of all drilling supplies and equipment not needed for production;

   (C) the stabilization of the well site that shall include interim postconstruction storm water management best management practices; or

   (D) other measures to be employed to minimize accelerated erosion and sedimentation in accordance with The Clean Streams Law.

(ii) Provide for restoring the portions of the site not occupied by production facilities or equipment consistent with subsection (a).

(3) The department may condition an extension under this subsection as is necessary in accordance with The Clean Streams Law.

Section 307. Protection of fresh groundwater and casing requirements.

(a) General rule.--To aid in protection of fresh
groundwater, well operators shall control and dispose of brines produced from the drilling, alteration or operation of an oil or gas well in a manner consistent with the act of June 22, 1937 (P.L.1987, No.394), known as The Clean Streams Law, or any regulation promulgated under The Clean Streams Law.

(b) Casing.--To prevent migration of gas or fluids into sources of fresh groundwater and pollution or diminution of fresh groundwater, a string or strings of casing shall be run and permanently cemented in each well drilled through the fresh water-bearing strata to a depth and in a manner prescribed by regulation by the department. The regulation shall be consistent with practices that have proven to be protective in regional areas and consider the use of alternative cement formulations and casing materials to protect the casing from corrosion, lithologic and physical conditions of the surrounding well bore.

(c) Noncoal areas.--In noncoal areas, the surface casing may be employed as production casing for oil or gas production, provided:

(1) The operator pumps a volume of cement equal to or greater than 120% of the calculated annular space.

(2) The operator circulates cement using the displacement method.

(3) The location of cement within the annular space, as determined by logging, and the function of the casing string satisfy the requirements of subsection (b) and other regulations prescribed by the department. To achieve sufficient cement coverage in the annular space, the operator may install a cement basket immediately above the depth of an anticipated lost circulation zone and fill the annular space by pumping from the surface if a casing and cementing plan
detailing the procedure is approved by the department.

(d) Procedure when coal has been removed.--If a well is
drilled at a location where coal has been removed from one or
more coal seams, the well shall be drilled and cased to prevent
migration of gas or fluids into the seam from which coal has
been removed in a manner prescribed by regulation of the
department. The department and the coal operator, owner or
lessee shall be given at least 72 hours' notice prior to
commencement of work protecting the mine.

(e) Procedure when coal has not been removed.--If a well is
drilled at a location where the coal seam has not been removed,
the casing shall be installed and permanently cemented in a
manner prescribed by regulation to exclude gas or fluids from
the coal seam, except gas or fluids found naturally in the seam
itself, and to enable monitoring the integrity of the production
casing.

Section 308. Protection of water supplies.

(a) General rule.--In addition to the requirements of
subsection (c.1), a well operator who affects a public or
private water supply by pollution or diminution shall restore or
replace the affected supply with an alternate source of water
adequate in quantity or quality for the purposes served by the
supply. The quality of a restored or replaced water supply will
be deemed adequate if it meets the standards established under
the act of May 1, 1984 (P.L.206, No.43), known as the
Pennsylvania Safe Drinking Water Act, or is comparable to the
quality of the water supply before it was affected by the
operator if that water supply did not meet these standards. The
Environmental Quality Board shall promulgate regulations
necessary to meet the requirements of this subsection.

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(b) Pollution or diminution of water supply.--A landowner or water purveyor suffering pollution or diminution of a water supply as a result of the drilling, alteration or operation of an oil or gas well may so notify the department and request that an investigation be conducted. Within 10 days of notification, the department shall investigate the claim and make a determination within 45 days following notification. If the department finds that the pollution or diminution was caused by drilling, alteration or operation activities or if it presumes the well operator responsible for pollution under subsection (c), the department shall issue orders to the well operator necessary to assure compliance with subsection (a), including orders requiring temporary replacement of a water supply where it is determined that pollution or diminution may be of limited duration.

(b.1) (Reserved).

(b.2) Telephone number.--The department shall establish a single Statewide toll-free telephone number that persons may use to report cases of water contamination which may be associated with the development of oil and gas resources. The Statewide toll-free telephone number shall be provided in a conspicuous manner in the notification required under section 301(b) and on the department's publicly accessible Internet website.

(b.3) Responses.--The department shall develop appropriate administrative responses to calls received on the Statewide toll-free telephone number for water contamination.

(b.4) Website.--The department shall publish, on its publicly accessible Internet website, lists of confirmed cases of subterranean water supply contamination that result from hydraulic fracturing.
Facility operation qualifications.--The department shall ensure that a facility which seeks a National Pollutant Discharge Elimination System permit for the purposes of treating and discharging wastewater originating from oil and gas activities into waters of the Commonwealth is operated by a competent and qualified individual.

(c) Presumption.--Unless rebutted by a defense established in subsection (d), it shall be presumed that a well operator is responsible for pollution of a water supply if:

1. the water supply is within 1,000 feet of an oil or gas well; and
2. the pollution occurred within six months after completion of drilling or alteration of the oil or gas well.

(c.1) Requirement.--If the affected water supply is within the rebuttable presumption area as provided in subsection (c) and the rebuttable presumption applies, the operator shall provide a temporary water supply if the water user is without a readily available alternative source of water. The temporary water supply provided under this subsection shall be adequate in quantity and quality for the purposes served by the supply.

(d) Defenses.--To rebut the presumption established under subsection (c), a well operator must affirmatively prove any of the following:

1. the pollution existed prior to the drilling or alteration activity as determined by a predrilling or prealteration survey;
2. the landowner or water purveyor refused to allow the operator access to conduct a predrilling or prealteration survey;
3. the water supply is not within 1,000 feet of the
(4) the pollution occurred more than six months after completion of drilling or alteration activities; and
(5) the pollution occurred as the result of a cause other than the drilling or alteration activity.

(e) Independent certified laboratory.--An operator electing to preserve a defense under subsection (d)(1) or (2) shall retain an independent certified laboratory to conduct a predrilling or prealteration survey of the water supply. A copy of survey results shall be submitted to the department and the landowner or water purveyor in the manner prescribed by the department.

(f) Other remedies preserved.--Nothing in this section shall prevent a landowner or water purveyor claiming pollution or diminution of a water supply from seeking any other remedy at law or in equity.

Section 309. Use of safety devices.
Any person engaged in drilling an oil or gas well shall equip it with casings of sufficient strength, and other safety devices as are necessary, in the manner prescribed by regulation of the department, and shall use every effort and endeavor effectively to prevent blowouts, explosions and fires.

Section 310. Well control emergency response.
(a) Contracts.--The department may enter into contracts with well control specialists in order to provide adequate emergency response services in the event of a well control emergency. The department shall make available, upon request by a county, information relating to contracts with well control specialists.
(b) Civil immunity.--Except as set forth in subsection (c), a well control specialist with which the department has entered
into a contract under subsection (a) shall be immune from civil
liability for actions taken in good faith to carry out its
contractual obligations.

(c) Nonapplicability.--Subsection (b) shall not apply to
damage arising from any of the following:

(1) Breach of the contract under subsection (a).
(2) An intentional tort.
(3) Gross negligence.

Section 311. Plugging requirements.

(a) General rule.--Conventional wells shall be plugged in
accordance with this act. Prior to abandoning a well, the owner
or operator shall plug it in the manner prescribed by regulation
of the department to stop vertical flow of fluids or gas within
the well bore, unless the department has determined that the
flow is an acceptable artesian flow of freshwater, the well is
on inactive status or it has been approved by the department as
an orphan well. If the department determines that a prior owner
or operator received economic benefit, other than economic
benefit derived only as a landowner or from a royalty interest,
after April 18, 1979, from an orphan well or an unregistered
well, the owner or operator shall be responsible for plugging
the well. In the case of a gas well penetrating a workable coal
seam which was drilled prior to January 30, 1956, or which was
permitted after that date but not plugged in accordance with
this chapter, if the owner or operator or a coal operator or an
agent proposes to plug the well to allow mining through it, the
gas well shall be cleaned to a depth of at least 200 feet below
the coal seam through which mining is proposed and, unless
impracticable, to a point 200 feet below the deepest mineable
coal seam. The gas well shall be plugged from that depth in
accordance with section 13 of the act of December 18, 1984
(P.L.1069, No.214), known as the Coal and Gas Resource
Coordination Act, and the regulations of the department.

(b) Areas underlain by coal.--Prior to the plugging and
abandonment of a well in an area underlain by a workable coal
seam, the well operator or owner shall notify the department and
the coal operator, lessee or owner and submit a plat showing the
location of the well and fixing the date and time plugging will
commence, which shall be not less than three working days, nor
more than 30 days, after the notice is received, to permit
representatives of the persons notified to be present at the
plugging. Notice and the right to be present may be waived by
the department and the coal operator, lessee or owner, but
waiver by the coal operator, lessee or owner shall be in writing
and a copy shall be attached to the notice of abandonment filed
with the department under this section. Whether or not
representatives attend, if the well operator has fully complied
with this section, the well operator may proceed, at the time
fixed, to plug the well in the manner prescribed by regulation
of the department. When plugging has been completed, a
certificate shall be prepared and signed, on a form to be
furnished by the department, by two experienced and qualified
people who participated in the work setting forth the time and
manner in which the well was plugged. One copy of the
certificate shall be mailed to each coal operator, lessee or
owner to whom notice was given by certified mail and another
shall be mailed to the department.

(c) Abandoned wells.--Prior to abandonment of a well, except
an uncompleted bore hole plugged immediately upon suspension of
drilling in an area not underlain by a workable coal seam, the
well operator shall notify the department of the intention to
plug and abandon the well and submit a plat showing the location
of the well and fixing the date and time at which plugging will
commence, which shall be not less than three working days, nor
more than 30 days, after the notice is received, to permit a
department representative to be present at the plugging. The
notice or waiting period may be verbally waived by the
department. In noncoal areas where more than one well has been
drilled as part of the same development project and the wells
are now to be plugged, the department shall be given three
working days' notice prior to plugging the first well of the
project, subject to waiver of notice described in subsection
(b). In the plugging of subsequent wells, no additional notice
shall be required if plugging on the project is continuous. If
plugging of subsequent wells is delayed for any reason, notice
shall be given to the department of continuation of the project.
Whether or not a representative attends, if the well operator
has fully complied with this section, the well operator may
proceed, at the time fixed, to plug the well in the manner
prescribed by regulation of the department. When plugging has
been completed, a certificate shall be prepared, on a form to be
furnished by the department, by two experienced and qualified
people who participated in the work setting forth the time and
manner in which the well was plugged. A copy of the certificate
shall be mailed to the department.

(d) Wells abandoned upon completion of drilling.--If a well
is to be abandoned immediately after completion of drilling, the
well operator shall give at least 24 hours' notice, confirmed by
certified mail, to the department and to the coal operator,
lessee or owner, if any, fixing the date and time when plugging
will commence. Notice and the right to be present may be waived by the department and the coal operator, lessee or owner, if any. Whether or not representatives of the department or coal operator, lessee or owner, if any, attend, if the well operator has fully complied with the requirements of this section, the well operator may proceed, at the time fixed, to plug the well in the manner provided by regulation of the department. The well operator shall prepare the certificate of plugging and mail copies of the same as provided in subsection (b).

(e) Orphan and abandoned wells.--If a well is an orphan well or abandoned without plugging or if a well is in operation but not registered, the department may enter upon the well site and plug the well and sell equipment, casing and pipe at the site which may have been used in production of the well in order to recover the costs of plugging. The department shall make an effort to determine ownership of a well which is in operation but has not been registered and provide written notice to the owner of pending action under this subsection. If the department cannot determine ownership within 30 days, it may proceed under this subsection. Costs of plugging shall have priority over all liens on equipment, casing and pipe, and the sale shall be free and clear of those liens to the extent that the cost of plugging exceeds the sale price. If the amount obtained for casing and pipe salvaged at the site is inadequate to pay for plugging, the owner or operator of the abandoned or unregistered well shall be liable for the additional costs.

(f) Environmental good Samaritans.--A person is not subject to liability for environmental remediation related to an orphan well or abandoned well without a responsible owner or operator and is not required to plug an orphan well solely because the
person obtains approval from the department to plug an orphan well. A person undertaking the plugging of an orphan well or abandoned well without a responsible owner or operator with approval from the department under 27 Pa.C.S. Ch. 81 (relating to good Samaritan), including by way of a grant or payment from the Commonwealth Financing Authority, is not subject to the notice requirements of 27 Pa.C.S. § 8105(b) (relating to eligibility and project inventory), provided that the surface landowner is notified and grants access to the well. Notice to the department and the surface landowner shall be provided on forms developed by the department. When plugging has been completed, a certificate shall be prepared and signed on a form to be furnished by the department by two experienced and qualified individuals who participated in the work and set forth the time and manner in which the well was plugged. A copy of the certificate shall be provided to the department.

(g) Persons who voluntarily plug an orphan or abandoned well in accordance with this section.--In addition to the categories of grants available through the Commonwealth Financing Authority from revenue deposited into the Marcellus Legacy Fund under 58 Pa.C.S. § 2315(a.1)(1) (relating to Statewide initiatives), persons who voluntarily plug an orphan or abandoned well without a responsible owner or operator may also apply to the Commonwealth Financing Authority for a grant and the following shall apply:

(1) The Commonwealth Financing Authority shall not provide any grant under this section unless the department certifies that the well was plugged in accordance with law on forms developed by the department.

(2) The Commonwealth Financing Authority shall give
priority consideration to grant applications submitted under this section and may annually award grants, subject to the availability of funds, in the following amounts, which shall be adjusted annually from the effective date of this section to reflect increases in the Consumer Price Index:

(i) for each well 2,000 feet or less below ground surface, $10,000;
(ii) for each well between 2,001 and 3,000 feet below ground surface, $20,000; or
(iii) for each well greater than 3,000 feet below ground surface, $30,000.

(h) Liability protection.--A person who voluntarily plugs an orphan well or abandoned well without a responsible owner or operator and receives payment under this section shall not be disqualified from liability protections under 27 Pa.C.S. Ch. 81.
   (i) Notification.--With respect to the owner of a workable coal seam, if any, notification shall be accomplished under this section by sending notice to the persons to whom tax notices for the workable coal seams are sent, as indicated in the assessment books, if available, or as indicated in the records of the recorder of deeds' office in the county in which such seams are located. If certified mail or notification is returned undeliverable, the applicant shall include a completed affidavit attesting to the attempted delivery, which shall satisfy the notification requirements under this section.
   (j) Definition.--For purposes of this section, the term "owner" does not include the owner or possessor of surface real property, on which an abandoned well is located, who did not participate or incur costs in and had no right of control over the drilling or extraction operation of the abandoned well.
Section 312. Alternative methods.

A well operator may request permission to use a method or material other than those required by this chapter and applicable regulations for casing, plugging or equipping a well in an application to the department which describes the proposed alternative in reasonable detail and indicates the manner in which it will accomplish the goals of this chapter. Notice of filing of the application shall be given by the well operator by certified mail to any affected coal operators, who may, within 15 days after the notice, file objections to the proposed alternative method or material. If no timely objections are filed or raised by the department, the department shall determine whether to allow use of the proposed alternative method or material.

Section 313. Well reporting requirements.

(a) General rule.—Each well operator shall file with the department, on a form provided by the department, an annual report specifying the amount of production, on the most well-specific basis available, along with the status of each well, except that in subsequent years only changes in status must be reported. The Commonwealth may utilize reported information in enforcement proceedings, in making designations or determinations under section 1927-A of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or in aggregate form for statistical purposes.

(b) Collection of data.—

(1) Well operators shall maintain a record of each well drilled or altered.

(2) A record containing the information required by the department shall be filed within 30 days after drilling of a
well.

(3) Within 30 days after completion of the well, when the well is capable of production, a completion report containing any additional required information shall be filed and shall be maintained by the department.

(4) The well operator shall, within 90 days of completion or recompletion of drilling, submit a copy of any electrical, radioactive or other standard industry logs which have been run.

(5) Upon request by the department within one year, the well operator shall file a copy of drill stem test charts, formation water analysis, porosity, permeability or fluid saturation measurements, core analysis and lithologic log or sample description or other similar data as compiled. No information shall be required unless the well operator had it compiled in the ordinary course of business, and interpretation of data under this paragraph is not required to be filed.

(b.1) Report contents.--

(1) The completion report shall contain the operator's stimulation record. The stimulation record shall include all of the following:

(i) A descriptive list of the chemical additives in the stimulation fluids, including any acid, biocide, breaker, brine, corrosion inhibitor, crosslinker, demulsifier, friction reducer, gel, iron control, oxygen scavenger, Ph adjusting agent, proppant, scale inhibitor and surfactant.

(ii) The trade name, vendor and a brief descriptor of the intended use or function of each chemical additive
(iii) A list of the chemicals intentionally added to the stimulation fluid, by name and chemical abstract service number.

(iv) The maximum concentration, in percent by mass, of each chemical intentionally added to the stimulation fluid.

(v) The total volume of the base fluid.

(vi) The pump rates and pressure used in the well.

(vii) The total volume of recycled water used.

(2) The well record shall identify whether methane was encountered in other than a target formation.

(b.2) Trade secret or confidential proprietary information.--When an operator submits its stimulation record under subsection (b.1), the operator may designate specific portions of the stimulation record as containing a trade secret or confidential proprietary information. The department shall prevent disclosure of a designated trade secret or confidential proprietary information to the extent permitted by the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law, or other applicable State law.

(c) Drill cuttings and core samples.--Upon notification by the department prior to commencement of drilling, the well operator shall collect any additional data specified by the department, including representative drill cuttings and samples from cores taken and any other geological information that the operator reasonably can compile. Interpretation of the data is not required to be filed.

(d) Retention and filing.--Data required under subsection (b)(5) and drill cuttings required under subsection (c) shall be
retained by the well operator and filed with the department no
more than three years after completion of the well. Upon
request, the department shall extend the deadline up to five
years from the date of completion of the well. The department
shall be entitled to utilize information collected under this
subsection in enforcement proceedings, in making designations or
determinations under section 1927-A of The Administrative Code
of 1929 and in aggregate form for statistical purposes.

Section 314. Notification and effect of well transfer.

The owner or operator of a well shall notify the department
in writing within 30 days, in a form directed by regulation, of
sale, assignment, transfer, conveyance or exchange by or to the
owner of the well. A transfer shall not relieve the well owner
or operator of an obligation accrued under this chapter, nor
shall it relieve the owner or operator of an obligation to plug
the well until the requirements of section 316 have been met, at
which time the transferring owner or operator shall be relieved
from all obligations under this chapter, including the
obligation to plug the well.

Section 315. Coal operator responsibilities.

(a) General rule.--

(1) At any time prior to removing coal or other
underground material or extending the workings in a coal mine
within 500 feet of an oil or gas well of which the coal
operator has knowledge or an approved well location of which
the coal operator has knowledge, the coal operator shall
forward, by certified mail, to, or file with, the well
operator and the department a copy of the relevant part of
the coal operator's maps and plans which is presently
required by law to be prepared and filed with the department,
showing the pillar which the coal operator proposes to leave in place around each oil or gas well in the projected workings.

(2) Following the filing of maps and plans under paragraph (1), the coal operator may proceed with mining operations in the manner projected on the maps and plans. The coal operator shall not remove any coal or cut any passageway within 150 feet of a well or approved well location until written approval has been granted as provided under this section.

(3) If, in the opinion of the well operator or the department, the plan indicates that the pillar proposed to be left around a well or approved well location is inadequate to protect either the integrity of the well or the public health and safety, the well operator affected shall attempt to agree with the coal operator upon a suitable pillar, subject to the approval of the department. If the parties fail to agree, the well operator may, within 10 days from receipt of the plan, file objections to the proposed plan in accordance with section 501, indicating the size of the pillar to be left with respect to each well.

(4) If no objections are filed within the 10-day period or if none are raised by the department, the department shall grant approval to the coal operator, which shall document the following:

(i) The filing of the maps or plans.
(ii) That no objections have been made to the plan.
(iii) That the pillar proposed to be left for each well is approved in the manner as projected.
(1) If objections are filed by a well operator or are raised by the department, the department shall direct that a conference be held in accordance with section 501 within 10 days of the filing of the objections.

(2) At the conference, the coal operator and the person who has filed the objections shall attempt to agree upon a proposed plan showing the pillar to be left around each well, which will satisfy the objections and be approved by the department. If the plan is agreed upon, the department shall grant approval to the coal operator reciting the filing of the plan and that the pillar to be left for each well is approved as agreed upon.

(3) If no plan showing the pillar to be left with respect to each well can be agreed upon at the conference, the department shall, by an appropriate order, determine the pillar to be left with respect to the well.

(4) In a proceeding under this section, the department shall follow as nearly as possible the original plan filed by the coal operator. The department shall not require the coal operator to leave a pillar in excess of 100 feet in radius unless the department establishes that unusual conditions exist requiring the leaving of a larger pillar. The department may require a pillar up to, but not exceeding, 150 feet in radius if the department establishes the existence of unusual conditions.

(5) The pillar to be left with respect to each well as determined by the department shall be shown on the maps or plans on file with the department as provided under subsection (a) and the department shall approve the pillar to be left for each well.
(c) Pillars of reduced size.--Application may be made at any time to the department by a coal operator to leave a pillar of less size than that shown on the plan filed by the operator or approved or determined by the department under the provisions of this section. If an application is filed, the department may, following the procedure prescribed in this section, by an appropriate order, determine a different plan showing a pillar of less size with respect to all wells covered by the application and shall grant approval for the pillar to be left with respect to each well.

(d) Violation.--No coal operator shall, without the written approval of the department after notice and opportunity for hearing as prescribed under this section, remove any coal or cut any passageway so as to leave a pillar of less size with respect to an oil or gas well than approved by the department under this act.

(e) Construction.--Nothing in this act shall be construed to require a well operator to pay for a coal pillar required by law to be left around a well drilled prior to April 18, 1985. A requirement for a coal operator to leave a pillar of coal of a certain size around a well drilled after April 18, 1985, shall not in any way affect:

(1) the rights which the coal operator would have had prior to April 18, 1985, to obtain payment for the coal; or

(2) any duty or right which the well operator or land owner may have had prior to April 18, 1985, to pay for or not to pay for the coal.

(f) Mining through plugged wells.--A coal operator who intends to mine through a plugged oil or gas well must file a plan to completely remove a pillar from around the well in
accordance with subsection (a). This plan shall be subject to
the requirements of this section. No coal operator may mine
through a plugged oil or gas well of which the coal operator has
knowledge until written approval has been granted by the
department in accordance with this section.

(g) Establishment of conditions.--The Bureau of Deep Mine
Safety in the department shall have the authority to establish
the conditions under which the department may approve a coal
operator's plan to mine through a plugged oil or gas well.

Section 316. Bonding.

(a) General rule.--

(1) Upon filing an application for a well permit and
before continuing to operate any oil or gas well, the owner
or operator of an oil or gas well shall file with the
department a bond for the well and the well site on a form to
be prescribed by the department. No bond or bond substitute
shall be required for any well drilled prior to April 18,
1985, where the well would have otherwise been subject to the
bonding requirements of section 215 or 603.1 of the former
act of December 19, 1984 (P.L.1140, No.223), known as the Oil
and Gas Act. A bond filed with an application for a well
permit shall be payable to the Commonwealth and conditioned
that the operator shall faithfully perform all of the
drilling, water supply replacement, restoration and plugging
requirements of this act. A bond filed with the department
for a well in existence after April 18, 1985, shall be
payable to the Commonwealth and conditioned that the operator
shall faithfully perform all of the water supply replacement,
restoration and plugging requirements of this act. The amount
of the bond required shall be in the amount of $2,500 per
well for at least two years following the effective date of
this act, after which time the bond amount may be adjusted by
the Environmental Quality Board every two years to reflect
the projected costs to the Commonwealth of performing well
plugging.

(2) In lieu of individual bonds for each well, an owner
or operator may file a blanket bond, on a form prepared by
the department, covering all of the owner's or operator's
wells in Pennsylvania as enumerated on the bond form. A
blanket bond shall be in the amount of $25,000 for at least
two years following the effective date of this act, after
which time the bond amount may be adjusted by the
Environmental Quality Board every two years to reflect the
projected costs to the Commonwealth of performing well
plugging. An adjustment may not exceed the prior amount by
more than $10,000.

(3) Liability under the bond shall continue until the
well has been properly plugged in accordance with this
chapter and for a period of one year after filing of the
certificate of plugging with the department. Each bond shall
be executed by the operator and a corporate surety licensed
to do business in this Commonwealth and approved by the
secretary. In lieu of a corporate surety, the operator may
deposit with the department:

(i) cash;

(ii) certificates of deposit or automatically
    renewable irrevocable letters of credit, from financial
    institutions chartered or authorized to do business in
    this Commonwealth and regulated and examined by the
    Commonwealth or a Federal agency, which may be terminated
at the end of a term only upon 90 days' prior written notice by the financial institution to the permittee and the department;

(iii) negotiable bonds of the United States Government or the Commonwealth, the Pennsylvania Turnpike Commission, the General State Authority, the State Public School Building Authority or any municipality within the Commonwealth; or

(iv) United States Treasury Bonds issued at a discount without a regular schedule of interest payments to maturity, otherwise known as Zero Coupon Bonds, having a maturity date of not more than 10 years after the date of purchase and at the maturity date having a value of not less than the applicable amount under paragraph (1). The cash deposit, certificate of deposit, amount of the irrevocable letter of credit or market value of the securities shall be equal at least to the sum of the bond.

(4) The secretary shall, upon receipt of a deposit of cash, letters of credit or negotiable bonds, immediately place the same with the State Treasurer, whose duty it shall be to receive and hold the same in the name of the Commonwealth, in trust, for the purpose for which the deposit is made.

(5) The State Treasurer shall at all times be responsible for custody and safekeeping of deposits. The operator making the deposit shall be entitled from time to time to demand and receive from the State Treasurer, on the written order of the secretary, the whole or any portion of collateral deposited, upon depositing with the State
Treasurer, in lieu of that collateral, other collateral of classes specified in this section having a market value at least equal to the sum of the bond, and also to demand, receive and recover the interest and income from the negotiable bonds as they become due and payable.

(6) If negotiable bonds on deposit under this subsection mature or are called, the State Treasurer, at the request of the owner of the bonds, shall convert them into other negotiable bonds, of classes specified in this section, designated by the owner.

(7) If notice of intent to terminate a letter of credit is given, the department shall give the operator 30 days' written notice to replace the letter of credit with other acceptable bond guarantees as provided in this section. If the owner or operator fails to timely replace the letter of credit, the department shall draw upon and convert the letter of credit into cash and hold it as a collateral bond guarantee.

(b) Release.--No bond shall be fully released until the requirements of subsection (a) and section 314 have been fully met. Upon release of bonds and collateral under this section, the State Treasurer shall immediately return to the owner the specified amount of cash or securities.

(c) Noncompliance.--If a well owner or operator fails or refuses to comply with subsection (a), regulations promulgated under this chapter or conditions of a permit relating to this chapter, the department may declare the bond forfeited and shall certify the same to the Attorney General, who shall proceed to enforce and collect the full amount of the bond and, if the well owner or operator has deposited cash or securities as collateral
in lieu of a corporate surety, the department shall declare the collateral forfeited and direct the State Treasurer to pay the full amount of the funds into the Well Plugging Restricted Revenue Account or to sell the security to the extent forfeited and pay the proceeds into the Well Plugging Restricted Revenue Account. If a corporate surety or financial institution fails to pay a forfeited bond promptly and in full, the corporate surety or financial institution shall be disqualified from writing further bonds under this chapter or any other environmental law administered by the department. A person aggrieved by reason of forfeiting the bond or converting collateral, as provided in this section, shall have a right to appeal to the Environmental Hearing Board in the manner provided by law. Upon forfeiture of a blanket bond for a violation occurring at one or more well sites, the person whose bond is forfeited shall, within 10 days of the forfeiture, submit a replacement bond to cover all other wells of which the person is an owner or operator. Failure to submit the replacement bond constitutes a violation of this section as to each of the wells owned or operated by the person.

(d) Reservation of remedies.--All remedies for violations of this chapter, regulations adopted under this chapter and conditions of permits are expressly preserved. Nothing in this section shall be construed as an exclusive penalty or remedy for violations of law. No action taken under this section shall waive or impair any other remedy or penalty provided in law.

(e) Change of law.--Owners or operators who have failed to meet the requirements of this section prior to August 1, 1992, shall not be required to make payments under this section on a retroactive basis as a condition of obtaining a permit under this chapter, nor shall the failure be deemed a violation of

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CHAPTER 5
ENFORCEMENT AND REMEDY

Section 501. Conferences.

(a) General rule.--The department or any person having a direct interest in a matter subject to this chapter may, at any time, request that a conference be held to discuss and attempt to resolve by mutual agreement a matter arising under this chapter. Unless otherwise provided, conferences shall be held within 90 days after a request is received by the department, and notice shall be given by the department to all interested parties. A representative of the department shall attend the conference and the department may make recommendations. An agreement reached at a conference shall be consistent with this chapter and, if approved by the department, it shall be reduced to writing and shall be effective, unless reviewed and rejected by the department within 10 days after the conference. The record of an agreement approved by the department shall be kept on file by the department and copies shall be furnished to the parties. The scheduling of a conference shall have no effect on the department's authority to issue orders to compel compliance with this chapter.

(b) Notification.--When a coal operator is to be notified of a proceeding under this section, the department simultaneously shall send a copy of the notice to the collective bargaining representative of employees of the coal operator.

Section 502. Public nuisances.

A violation of section 307, 308, 309 or 311, or a regulation, order, term or condition of a permit relating to any of those sections constitutes a public nuisance.
Section 503. Enforcement orders.

(a) General rule.--Except as modified by subsections (b), (c) and (d), the department may issue orders necessary to aid in enforcement of this chapter. An order issued under this chapter shall take effect upon notice, unless the order specifies otherwise. The power of the department to issue an order under this chapter is in addition to any other remedy available to the department under this chapter or under any other law.

(b) Suspension and revocation.--

(1) The department may suspend or revoke a well permit or well registration for any well in continuing violation of one of the following for which the likely result of the violation is an unsafe operation or environmental damage:

(i) This chapter.


(iv) Any other statute administered by the department.

(2) A suspension order of the department shall automatically terminate if the violation upon which it is based is corrected by the operator to the satisfaction of the department in order to bring the well into compliance with this chapter.

(c) Written notice.--Prior to suspension or revocation of a well permit or registration, the department shall serve written notice on the well operator or its agent, stating specifically the statutory provision, regulation or other reason relied upon, along with factual circumstances surrounding the alleged
violation. If the department suspends or revokes the permit or registration, the department may order the operator to cap the well if the likely result of the violation is an unsafe operation or environmental damage.

(d) Immediate orders.--An order of the department requiring immediate cessation of drilling operations shall be effective only if authorized by the secretary or a designee.

(e) Grievances.--A person aggrieved by a department order issued under this section shall have the right, within 30 days of receipt of the notice, to appeal to the Environmental Hearing Board.

Section 504. Restraining violations.

(a) General rule.--In addition to any other remedy provided in this chapter, the department may institute a suit in equity in the name of the Commonwealth for an injunction to restrain a violation of this chapter or rules, regulations, standards or orders adopted or issued under this chapter and to restrain the maintenance or threat of a public nuisance. Upon motion of the Commonwealth, the court shall issue a prohibitory or mandatory preliminary injunction if it finds that the defendant is engaging in unlawful conduct, as defined by this chapter, or conduct causing immediate and irreparable harm to the public. The Commonwealth shall not be required to furnish bond or other security in connection with the proceeding. In addition to an injunction, the court in equity may level civil penalties as specified in section 507.

(b) District attorney.--In addition to other remedies in this chapter, upon relation of the district attorney of a county affected or upon relation of the solicitor of a municipality affected, an action in equity may be brought in a court of
competent jurisdiction for an injunction to restrain a violation
of this chapter or rules and regulations promulgated under this
chapter or to restrain a public nuisance or detriment to health.
(c) Concurrent penalties.--Penalties and remedies under this
chapter shall be deemed concurrent. Existence or exercise of one
remedy shall not prevent the department from exercising another
remedy at law or in equity.
(d) Jurisdiction.--Actions under this section may be filed
in the appropriate court of common pleas or in Commonwealth
Court, and those courts are hereby granted jurisdiction to hear
actions under this section.
Section 505. Well control emergency response cost recovery.
A person liable for a well control emergency is responsible
for all response costs incurred by the department for well
control specialists to respond to the well control emergency. In
an action before a court of competent jurisdiction, the
department may recover all its response costs, including the
cost of regaining control of the well, controlling the perimeter
of the well site, preparing water sprays, establishing trenches
or dikes to capture runoff fluids and providing the resources
and equipment needs for the incident.
Section 506. Penalties.
(a) General violation.--A person violating a provision of
this chapter commits a summary offense and, upon conviction,
shall be sentenced to pay a fine of not more than $500 or to
imprisonment of not more than 90 days, or both. Each day during
which the violation continues is a separate and distinct
offense.
(b) Willful violation.--A person willfully violating a
provision of this chapter or an order of the department issued
under this chapter commits a misdemeanor and, upon conviction, shall be sentenced to pay a fine of not more than $5,000 or to imprisonment of not more than one year, or both. Each day during which the violation continues is a separate and distinct offense.

(c) Authority.--The department may institute a prosecution against any person or municipality for a violation of this chapter.

Section 507. Civil penalties.

In addition to other remedies available at law or in equity for a violation of this chapter, a regulation of the department, a departmental order or a permit condition, the department, after a hearing, may assess a civil penalty regardless of whether the violation was willful. The penalty shall not exceed $25,000 plus $1,000 for each day during which the violation continues. In determining whether to assess a penalty or the amount of the penalty, the department shall consider willfulness of the violation, damage or injury to natural resources of this Commonwealth or their uses, endangerment of safety of others, the cost of remedying the harm, savings resulting to the violator as a result of the violation, whether the operator voluntarily plugged an orphan or abandoned well and any other relevant factor. When the department proposes to assess a civil penalty, it shall notify the person of the proposed amount of the penalty. The person charged with the penalty must, within 30 days of notification, pay the proposed penalty in full or file an appeal of the assessment with the Environmental Hearing Board. Failure to comply with the time period under this section shall result in a waiver of all legal rights to contest the violation or the amount of the penalty. The civil penalty shall
be payable to the Commonwealth and collectible in any manner
provided at law for collection of debts. If a violator neglects
or refuses to pay the penalty after demand, the amount, together
with interest and costs that may accrue, shall become a lien in
favor of the Commonwealth on the real and personal property of
the violator, but only after the lien has been entered and
docketed of record by the prothonotary of the county where the
property is situated. The department may transmit to the
prothonotaries of the various counties certified copies of all
liens. It shall be the duty of each prothonotary to enter and
docket the liens of record in the prothonotary's office and
index them as judgments are indexed, without requiring payment
of costs as a condition precedent to entry.
Section 508. Existing rights and remedies preserved and
cumulative remedies authorized.
Nothing in this chapter stops the Commonwealth or a district
attorney from proceeding in a court of law or in equity to abate
pollution forbidden under this chapter or a nuisance under
existing law. It is hereby declared to be the purpose of this
chapter to provide additional and cumulative remedies to control
activities related to drilling for or production of oil and gas
in this Commonwealth, and nothing contained in this chapter
abridges or alters rights of action or remedies existing, or
which existed previously, in equity or under common or statutory
law, criminal or civil. Neither this chapter, the grant of a
permit under this chapter nor an act done by virtue of this
chapter stops the Commonwealth, in exercising rights under
common or decisional law or in equity, from suppressing a
nuisance, abating pollution or enforcing common law or statutory
rights. No court of this Commonwealth with jurisdiction to abate
public or private nuisances shall be deprived of jurisdiction in
an action to abate a private or public nuisance instituted by
any person on grounds that the nuisance constitutes air or water
pollution.

Section 509. Inspection and production of materials, witnesses,
depositions and rights of entry.

(a) General rule.--The department may make inspections,
conduct tests or sampling or examine books, papers and records
pertinent to a matter under investigation under this chapter to
determine compliance with this chapter. For this purpose, the
duly authorized agents and employees of the department may at
all reasonable times enter and examine any involved property,
facility, operation or activity.

(b) Access.--The owner, operator or other person in charge
of a property, facility, operation or activity under this
chapter, upon presentation of proper identification and purpose
either for inspection or to remediate or otherwise respond to a
well control emergency, by agents or employees of the
department, shall provide free and unrestricted entry and
access. Upon refusal, the agent or employee may obtain a search
warrant or other suitable order authorizing entry and
inspection, remediation or response. It shall be sufficient to
justify issuance of a search warrant authorizing examination and
inspection if:

(1) there is probable cause to believe that the object
of the investigation is subject to regulation under this
chapter; and

(2) access, examination or inspection is necessary to
enforce the provisions of this chapter.

(c) Witnesses.--In any part of this Commonwealth, the
department may subpoena witnesses, administer oaths, examine
witnesses, take testimony and compel production of books,
records, maps, plats, papers, documents and other writings
pertinent to proceedings or investigations conducted by the
department under this chapter. Upon refusal to obey a subpoena
by any person and on application of the department, a court may
enforce a subpoena in contempt proceedings. Fees for serving a
subpoena shall be the same as those paid to sheriffs for similar
services.

(d) Deposition.--The department or a party to a proceeding
before the department may cause the deposition of a witness who
resides in or outside of this Commonwealth to be taken in the
manner prescribed by law for taking depositions in civil
actions.

(e) Witness fee.--Witnesses summoned before the department
shall be paid the same fees as are paid to witnesses in courts
of record of general jurisdiction. Witnesses whose depositions
are taken under this chapter, and the officers taking those
depositions, shall be entitled to the same fees as those paid
for like services in court.

(f) Purchasers.--Upon request, a purchaser of oil or gas
shall provide the department information necessary to determine
ownership of facilities from which the purchaser obtained oil or
gas. The information shall be kept confidential for a period of
five years, and the department may utilize it in enforcement
proceedings. The department may request information under this
section only when a well does not comply with section 301.

Section 510. Unlawful conduct.

It shall be unlawful for any person to:

(1) Drill, alter, operate or utilize an oil or gas well
without a permit or registration from the department as required by this chapter or in violation of rules or regulations adopted under this chapter, orders of the department or a term or condition of a permit issued by the department.

(2) Conduct an activity related to drilling for or production of oil and gas:

   (i) contrary to this chapter, rules or regulations adopted under this chapter, an order of the department or a term or condition of a permit issued by the department; or

   (ii) in any manner as to create a public nuisance or adversely affect public health, safety, welfare or the environment.

(3) Refuse, obstruct, delay or threaten an agent or employee of the department acting in the course of lawful performance of a duty under this chapter, including, but not limited to, entry and inspection.

(4) Attempt to obtain a permit or identify a well as an orphan well by misrepresentation or failure to disclose all relevant facts.

(5) Cause abandonment of a well by removal of casing or equipment necessary for production without plugging the well in the manner prescribed under section 311, except that the owner or operator of a well may temporarily remove casing or equipment necessary for production, but only if it is part of the normal course of production activities.

Section 511. Collection of fines and penalties.

Fines and penalties shall be collectible in a manner provided by law for collection of debts. If a person liable to pay a
penalty neglects or refuses to pay after demand, the amount, 
together with interest and costs that may accrue, shall be a 
judgment in favor of the Commonwealth on the person's property, 
but only after the judgment has been entered and docketed of 
record by the prothonotary of the county where the property is 
situated. The department may transmit to prothonotaries of the 
various counties certified copies of all judgments, and it shall 
be the duty of each prothonotary to enter and docket them of 
record in the prothonotary's office and index them as judgments 
are indexed, without requiring payment of costs as a condition 
precedent to entry.

Section 512. Third party liability.
If a person other than a well operator renders a service or 
product to a well or well site, that person is jointly and 
severally liable with the well owner or operator for violations 
of this chapter arising out of and caused by the person's 
actions at the well or well site, in accordance with State law.

Section 513. Inspection reports.
The department shall post inspection reports on its publicly 
accessible Internet website. The inspection reports shall 
include:

(1) The nature and description of violations.

(2) The operator's written response to the violation, if 
available.

(3) The status of the violation.

(4) The remedial steps taken by the operator or the 
department to address the violation.

CHAPTER 7
MISCELLANEOUS PROVISIONS

Section 701. Well plugging funds.
(a) Appropriation.--Fines and civil penalties collected under this chapter shall be deposited into the Abandoned Well Plugging Fund established under subsection (b). Permit fees collected under this chapter are appropriated to the department to carry out the purposes of this chapter.

(b) Surcharge.--To aid in indemnifying the Commonwealth for the cost of plugging abandoned wells, a $50 surcharge is added to the permit fee established by the department under section 301 for new wells. Money collected as a result of the surcharge shall be paid into a restricted revenue account in the State Treasury to be known as the Abandoned Well Plugging Fund and expended by the department to plug abandoned wells threatening the health and safety of persons or property or pollution of waters of the Commonwealth.

(c) Orphan Well Plugging Fund.--The following shall apply:

(1) A restricted revenue account to be known as the Orphan Well Plugging Fund is created. A $100 surcharge for wells to be drilled for oil production and a $200 surcharge for wells to be drilled for gas production are added to the permit fee established by the department under section 301 for new wells. The surcharges shall be placed in the Orphan Well Plugging Fund and expended by the department to plug orphan wells. If an operator rehabilitates a well abandoned by another operator or an orphan well, the permit fee and the surcharge for the well shall be waived.

(2) The department shall study its experience in implementing this section and shall report its findings to the Governor and the General Assembly by one year after promulgation. The report shall contain information relating to the balance of the fund, number of wells plugged, number
of identified wells eligible for plugging and recommendations as to alternative funding mechanisms.

Section 702. (Reserved).

Section 703. Effect on department authority.

This chapter does not affect, limit or impair any right or authority of the department under the act of June 22, 1937 (P.L.1987, No.394), known as The Clean Streams Law; the act of January 8, 1960 (1959 P.L.2119, No.787), known as the Air Pollution Control Act; the act of November 26, 1978 (P.L.1375, No.325), known as the Dam Safety and Encroachments Act; or the act of July 7, 1980 (P.L.380, No.97), known as the Solid Waste Management Act.

Section 704. Relationship to solid waste, surface mining, underground injection wells, storage tanks and spill reporting.

(a) General rule.—The obligation to obtain a permit and post a bond under Articles III and V of the act of July 7, 1980 (P.L.380, No.97), known as the Solid Waste Management Act, and to provide public notice under section 1905-A(b)(1)(v) of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, for any pit, impoundment, method or facility employed for the disposal, processing or storage of residual wastes generated by the drilling of an oil or gas well or from the production of wells which is located on the well site, shall be considered to have been satisfied if the owner or operator of the well meets the following conditions:

(1) the well is permitted under the requirements of section 301 or registered under 303;

(2) the owner or operator has satisfied the financial security requirements of section 316 by obtaining a surety or
collateral bond for the well and well site; and

(3) the owner or operator maintains compliance with this chapter and applicable regulations of the Environmental Quality Board.

(b) Noncoal surface mining.--Obligations under the act of December 19, 1984 (P.L.1093, No.219), known as the Noncoal Surface Mining Conservation and Reclamation Act, or a regulation promulgated under the Noncoal Surface Mining Conservation and Reclamation Act, for any borrow area where minerals are extracted solely for the purpose of oil and gas well development, including access road construction, shall be considered to have been satisfied if the owner or operator of the well meets the conditions imposed under subsection (a)(1) and (2) and maintains compliance with this chapter and applicable regulations of the Environmental Quality Board.

(c) Solid Waste Management Act.--This section does not diminish or otherwise affect duties or obligations of an owner or operator under the Solid Waste Management Act. This section does not apply to waste classified as hazardous waste under the Solid Waste Management Act or the Resource Conservation and Recovery Act of 1976 (Public Law 94-580, 90 Stat. 2795, 42 U.S.C. § 6901 et seq.).

(d) Class II injection wells.--Notwithstanding any provision of law to the contrary, Class II well permits issued by the Environmental Protection Agency pursuant to the Safe Drinking Water Act (Public Law 93-523, 21 U.S.C. § 349 and 42 U.S.C. §§ 201 and 300f et seq.) shall be deemed to satisfy the department's obligation to consider potential pollution resulting from underground injection or disposal to the wells. Unless or until the Commonwealth takes primacy of the Class II
Underground Injection Control (UIC) program, the department's review and approval, if any, of injection wells shall be limited to a review of surface activities related to construction, modification, operation or closure of the well and confirmation that the well is constructed in accordance with this act.

(e) Storage tanks.--Aboveground storage tanks regulated under this act and used to store brines, crude oil, drilling or hydraulic fracturing fluids and similar substances or materials and are directly related to the exploration, development or production of crude oil or natural gas regulated under this act, as well as liquid traps and associated gathering lines directly related to oil or gas production and gathering operations, are exempt from the obligations under the act of July 6, 1989 (P.L.169, No.32), known as the Storage Tank and Spill Prevention Act, and any rule or regulation promulgated under the Storage Tank and Spill Prevention Act.

(f) Spill reporting.--The following apply to spills onto the ground at a well site:

(1) The following spills must be reported within two hours of discovery:

   (i) more than 5 TWO barrels of oil within a 24-hour period; or

   (ii) more than 15 FIVE barrels of brine within a 24-hour period if the total dissolved solids concentration of the brine is equal to or greater than 10,000 mg/kg.

(2) Spills of less than 5 TWO barrels of oil or less than 15 FIVE barrels of brine need not be reported unless it would endanger downstream users of waters of this Commonwealth, would otherwise result in pollution or create a danger of pollution of waters or would damage property.
Section 705. Relationship to the Coal and Gas Resource Coordination Act.

(a) Application.--The requirements under section 5 of the act of December 18, 1984 (P.L.1069, No.214), known as the Coal and Gas Resource Coordination Act, for the issuance of a permit under the former act of December 19, 1984 (P.L.1140, No.223), known as the Oil and Gas Act, shall apply to this act.

(b) Construction.--Nothing in this act shall be construed to change, repeal or otherwise affect the provisions of the Coal and Gas Resource Coordination Act.

Section 706. Local ordinances.

Except with respect to local ordinances adopted pursuant to the act of July 31, 1968 (P.L.805, No.247), known as the Pennsylvania Municipalities Planning Code, and the act of October 4, 1978 (P.L.851, No.166), known as the Flood Plain Management Act, all local ordinances purporting to regulate conventional oil and gas operations regulated by this act are superseded. No local ordinance adopted pursuant to the Pennsylvania Municipalities Planning Code or Flood Plain Management Act shall contain provisions which impose conditions, requirements or limitations on the same features of oil and gas operations regulated by this act or that accomplish the same purposes as this act. The Commonwealth, by this section, preempts and supersedes the regulation of conventional oil and gas wells.

Section 707. Beneficial use of produced water.

(a) Road application plans.--

(1) A person may apply produced water to unpaved roads as a dust suppressant and road stabilizer in accordance with a road application plan approved by the department. This
section does not authorize the use of produced water for prewetting, anti-icing or de-icing of roads.

(2) The department shall approve a road application plan that reasonably provides for the protection of the environment and the prevention of pollution. With respect to any aspect of water quality, applicants may rely on regional characterization of the produced water. The department may not impose conditions requiring produced water to exceed the physical character or chemical composition of a commercial product for which the produced water is an effective substitute. Persons engaged in the beneficial use of produced water shall maintain records and make reports as the department requires.

(3) A proposed road application plan shall be prepared on forms provided by the department and shall include information required by the department to administer this section.

(4) Produced water may not be applied:

(i) within 150 feet of bodies of water or watercourses, except roadside ditches;

(ii) within Zone I or Zone II of a wellhead protection area designated as part of a wellhead protection program approved under the act of May 1, 1984 (P.L.206, No.43), known as the Pennsylvania Safe Drinking Water Act;

(iii) to sections of an unpaved road having a grade exceeding 10%; or

(iv) to concrete, asphalt or other impervious surfaces.

(5) The department's approval of a road application plan—
does not authorize the discharge of produced water to the
waters of the Commonwealth.

(6) Produced water that is transported, managed, stored and applied on unpaved roads in compliance with a road application plan approved by the department under this section is not regulated as a solid waste under the act of July 7, 1980 (P.L.300, No.97), known as the Solid Waste Management Act.

(b) Temporary regulations.

(1) In order to facilitate the prompt implementation of this act, the department may address the beneficial use of produced water by establishing temporary regulations not subject to:

(i) Sections 201, 202, 203, 204 and 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law;


(iii) Section 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act; and

(iv) Sections 232 and 1920-A of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929;

(2) The department's authority to establish temporary regulations under this section shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated by the Environmental Quality Board as provided by law.

(c) Powers and duties.--The department shall have the power
and duty to:

(1) approve, disapprove and conditionally approve of road application plans;

(2) charge fees associated with the review of road application plans; and

(3) suspend or revoke approval of any road application plan, conduct inspections and abate public nuisances to implement the purposes and provisions of this act and the rules, regulations and standards adopted pursuant to this act.

(d) Secondary products from produced water. Notwithstanding any provision of law to the contrary and to promote beneficial uses and legitimate recycling, material derived from produced water from conventional formations, including, but not limited to, salt, is not waste if:

(1) the material is of a physical character and chemical composition that is consistently equivalent to an intentionally manufactured product or raw material; and

(2) the use of the material presents no greater threat of harm to human health and the environment than the use of the product or raw material.

Section 708. Permit fee.

Each application for a well permit issued under this act or 58 Pa.C.S. (relating to oil and gas) shall be accompanied by a permit fee, established by the Environmental Quality Board, which bears a reasonable relationship to the cost of administering this act and 58 Pa.C.S.

Section 709. Appropriation.

The sum of $5,000,000 is hereby appropriated from the General Fund to the Department of Environmental Protection to meet the
Section 709. Annual budget submission.

The Governor shall include in the budget submitted to the General Assembly each year under section 613 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, a request for a separate line item of not less than $5,000,000 to the Department of Environmental Protection for the sole purpose of meeting the department's obligations with respect to the conventional oil and gas industry.

Section 710. Regulations.

The Environmental Quality Board shall promulgate regulations to implement this chapter. The board shall consult with the council in the formulation and development of all regulations and policies effecting conventional oil and gas operations to ensure consistency with the duties of the council and purposes of the act of June 23, 2016 (P.L.375, No.52), known as the Pennsylvania Grade Crude Development Act. Policies adopted by the department after April 16, 2012, shall expire within three years of the effective date of this section with respect to conventional operations unless revised and reissued in accordance with this section.

Section 711. Repeals.

The provisions of 58 Pa.C.S. (relating to oil and gas) are repealed insofar as they relate to conventional wells with the exception of underground gas storage requirements in 58 Pa.C.S. Ch. 32 Subch. C (relating to underground gas storage).

Section 712. Continuation.

Except as otherwise provided in this act, all conventional oil and gas well activities initiated under 58 Pa.C.S. (relating to oil and gas) are continued.
to oil and gas) or under the former act of December 19, 1984
(P.L.1140, No.223), known as the Oil and Gas Act, shall continue
and remain in full force and effect and may be completed under
this act. Orders, rules and decisions which were made under 58
Pa.C.S. or the former Oil and Gas Act as to conventional wells
and which are in effect on the effective date of this section
shall remain in full force and effect until revoked, vacated or
modified under this act. Contracts, obligations and collective
bargaining agreements entered into under 58 Pa.C.S. are not
affected nor impaired by this act. Nothing in this act shall
alter the common law establishing the subsurface as the dominant
estate in Pennsylvania, or alter or abridge the terms of any
contract, mortgage or other agreement entered into prior to the
effective date of this act.

Section 713. Effective date.

This act shall take effect immediately.