HOUSE AMENDED
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THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 568 Session of 1979

INTRODUCED BY STAPLETON, ORLANDO, COPPERSMITH AND MOORE,
MARCH 27, 1979

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 21, 1979

AN ACT

Regulating the terms and conditions of certain leases regarding natural gas and oil.

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

Section 1. A lease or other such agreement conveying the right to remove or recover oil, natural gas or gas of any other designation from lessor to lessee shall not be valid if such lease does not guarantee the lessor at least one-eighth royalty of all oil, natural gas or gas of other designations removed or recovered from the subject real property.

Section 2. An oil, natural gas or other designation gas well or oil, natural gas or other designation gas lease which does not provide a one-eighth metered royalty shall be subject to such an escalation when its original state is altered by new drilling, deeper drilling, redrilling, artificial well stimulation, hydraulic fracturing or any other procedure for increased production. A LEASE SHALL NOT BE AFFECTED WHEN THE <—

WELL IS ALTERED THROUGH ROUTINE MAINTENANCE OR CLEANING. ~~AND~~ <—

~~PRODUCTION IS NOT INCREASED.~~

Section 3. Whenever such an increased production procedure has been completed prior to the effective date of this act, metering and the above royalty shall commence within 90 days after the effective date of this act.

Section 4. This act shall take effect in 60 days.