

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2665 Session of
1982

INTRODUCED BY WACHOB, PRATT, DOMBROWSKI, MICHLOVIC, SHOWERS,
KUKOVICH, COHEN AND DEAL, SEPTEMBER 20, 1982

REFERRED TO COMMITTEE ON MINES AND ENERGY MANAGEMENT,
SEPTEMBER 20, 1982

AN ACT

1 Amending the act of November 30, 1955 (P.L.756, No.225),
2 entitled, as amended, "An act relating to coal mining, well
3 operations and the underground storage of gas, except in
4 storage reservoirs excavated in rock formations specifically
5 for storage purposes, the safety of personnel and facilities
6 employed therein, and the protection of the people residing
7 in the area and their property rights; prescribing the rights
8 and duties of well operators, before, during, and after the
9 drilling of wells for the production, extraction or storage
10 of any gas, petroleum or other liquid; regulating the
11 underground storage of gas under workable coal seams;
12 prescribing the rights and duties of owners and operators of
13 coal mines in relation to wells and underground storage
14 areas; granting certain corporations a limited right of
15 eminent domain to appropriate interests in real property for
16 surface and sub-surface operations in connection with the
17 underground storage of gas; creating the Oil and Gas Division
18 of the Department of Mines and defining its personnel, powers
19 and duties; providing for hearings and the procedures to be
20 followed therein and imposing duties upon the courts and
21 providing methods for the enforcement of the provisions of
22 this act and imposing penalties," changing definitions,
23 requiring registration, notification of transfer of wells,
24 responsibility of well drillers to department; well permits
25 and distance regulations; responsibility to plug wells;
26 casing requirements; indemnity bonds; plugging requirements;
27 creation of coal, oil and gas technical board; safety
28 devices; filing maps; storage reservoir obligations;
29 inspection; appeals; enforcement and penalties.

30 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Clauses (2), (6), (7), (8), (9), (10), (15), (17)
3 and (18) of section 102, act of November 30, 1955 (P.L.756,
4 No.225), known as the "Gas Operations Well-Drilling Petroleum
5 and Coal Mining Act," are amended and clauses are added to read:

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

7 * * *

8 (2) "Operating coal mine" means (i) [a] an underground coal
9 mine which is producing coal or has been in production of coal
10 at any time during the twelve months immediately preceding the
11 date its status is put in question under this act and any worked
12 out or abandoned coal mine connected underground with or
13 contiguous to such operating coal mine as herein defined [and]
14 or (ii) any underground coal mine to be established or
15 reestablished as an operating coal mine in the future pursuant
16 to subsection (c) of section 303 of this act.

17 * * *

18 (6) "Well" when used in this act means a bore hole drilled
19 or being drilled for the purpose of or to be used for producing,
20 extracting or injecting any gas, petroleum or other liquid
21 related to oil or gas production or storage including brine
22 disposal, but excluding bore holes drilled to produce potable
23 water to be used as such.

24 (7) "Division" means the [Oil and Gas Division of the
25 Department of Mines] Department of Environmental Resources.

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

29 (9) "Well operator" means any person as herein defined who
30 proposes to or does for his own account locate, drill, operate,

1 plug, recondition or abandon any well as herein defined or cause
2 any of the above to be done to any well; in cases where a well
3 is used in connection with the underground storage of gas, the
4 term "well operator" shall also mean a "storage operator" as
5 hereinafter defined.

6 (10) "Gas" means any [natural, manufactured or by-product
7 gas or any mixture thereof] fluid, either combustible or
8 noncombustible which is produced in a natural state from the
9 earth and which maintains a gaseous or rarified state at
10 standard temperature (sixty degrees Fahrenheit) and pressure
11 (one atmosphere), any manufactured gas, any by-product gas or
12 any mixture of gases.

13 * * *

14 (15) "Cement" or "cement grout" means hydraulic cement
15 properly mixed with water only or any mixture of hydraulic
16 cement with such other materials adequate for bonding or sealing
17 of well bores as the department shall approve.

18 * * *

19 (17) "Oil" means the same as the word "petroleum" which are
20 hydrocarbons in liquid form at standard temperature (sixty
21 degrees Fahrenheit) and pressure (one atmosphere).

22 (18) "Person" means any individual, association,
23 partnership, [or] corporation, political subdivision or agency
24 of the State or Federal Government.

25 * * *

26 (25) "Department" means the Department of Environmental
27 Resources.

28 (26) "Drilling" shall include drilling, redrilling or
29 drilling deeper.

30 (27) "Alteration" means any operation which changes the

1 physical characteristics of the well bore, including stimulation
2 or removing, repairing or changing the casing: Provided,
3 however, That "alteration" shall not include repairing of casing
4 or replacing of casing with casing of the same size and length
5 in non-coal areas, nor shall it include stimulation as a normal
6 initial completion procedure.

7 (28) "Building" means an occupied structure with walls and
8 roof within which persons live or work.

9 (29) "Fresh ground water" means water in that portion of the
10 generally recognized hydrologic cycle which occupies the pore
11 spaces and fractures of saturated subsurface materials.

12 (30) "Operating well" means any well not plugged and
13 abandoned.

14 (31) "Wetland" means those areas that are inundated or
15 saturated by surface or groundwater at a frequency and duration
16 sufficient to support, and that under normal circumstances do
17 support, a prevalence of vegetation typically adapted for life
18 in saturated soil conditions, including swamps, marshes, bogs
19 and similar areas.

20 Section 2. Section 104 of the act, added March 3, 1970
21 (P.L.81, No.38), is amended to read:

22 Section 104. Declaration of [Public Policy] Legislative
23 Intent.--(a) The provisions of this act shall be liberally
24 construed to effect the safety of personnel and facilities
25 employed in the underground storage of gas, [and] the protection
26 of the people residing in the area where [such] wells are being
27 drilled or gas is stored and their property rights and the
28 safety of persons and facilities employed in the mining of coal.

29 (b) It is also the intent of this act to facilitate the
30 optimal development of energy resources of Pennsylvania

1 consistent with the protection of the health, safety,
2 environment and property of the citizens of the Commonwealth.

3 (c) The provisions of the act shall also be liberally
4 construed to insure that well operators shall comply with all
5 existing laws and regulations to protect the air, land, and
6 waters of the Commonwealth.

7 Section 3. The act is amended by adding sections to read:

8 Section 105. Registration.--Every well operator or his agent
9 shall be required to register with the department within sixty
10 days of becoming engaged in well operation. Any person operating
11 an oil or gas well on the effective date of this act shall be
12 required to register with the department within six months of
13 the effective date of this act. Registration shall be on such
14 forms as the department may direct and accompanied by a fee
15 established by regulations: Provided, however, That any operator
16 of a well or wells on property in which he owns fee title
17 thereof, need not register if the production therefrom is solely
18 and exclusively used upon the property. Service of any order or
19 notice of any procedure upon the registered owner or his agent
20 of a well at the address indicated on the registration form
21 shall be deemed proper and adequate service or notice under this
22 act.

23 Section 106. Notification of Transfer.--The owner or
24 operator of any well shall notify the department, in writing, in
25 such form as the department may direct by regulation, of the
26 sale, assignment, transfer, conveyance or exchange by the owner
27 or operator or to the owner of such well within thirty days
28 after such sale, assignment, conveyance or exchange. No such
29 transfer shall relieve the well owner or operator of any
30 liability accrued under this act, nor shall it relieve him of

1 the obligation to plug said well until a replacement bond has
2 been filed with the department by the new owner.

3 Section 107. Well Status and Production Reports.--Every well
4 operator shall file with the department, on a form provided by
5 the department, an annual report specifying the status of each
6 well and the amount of production from each well on an
7 individual well basis: Provided, however, That where said data
8 are not available on a well basis it may be reported on the most
9 well-specific basis available.

10 Section 4. Section 201 of the act, amended July 31, 1968
11 (P.L.881, No.265), is amended to read:

12 Section 201. [Well Operator's] Responsibility Before, [and]
13 During and After Drilling.--(a) [Before drilling any well, the
14 well operator shall have] Any person proposing to drill a well
15 or alter any unpermitted well shall, prior to commencement of
16 drilling or altering, submit an application to the department
17 accompanied by a plat prepared by a competent engineer or a
18 competent surveyor (on [a form] forms to be furnished by the
19 [division] department) showing the political subdivision and
20 county in which the tract of land upon which the well to be
21 drilled is located, the name of the [lessor or] surface
22 landowner and lessor, the name of the owner or operator of all
23 known underlying workable coal seams, if any, the acreage in the
24 tract to be drilled, the proposed location of the well
25 determined by survey, the courses and distances of such location
26 from two or more permanent points or landmarks on said tract,
27 the proposed angle and direction of such well, if the well is to
28 be deviated substantially from a vertical course, [and] the
29 number or other identification to be given the well,
30 [indicating] the workable coal seams, if any, underlying [said]

1 the tract of land upon which the well is to be drilled or
2 altered which are to be cased off in accordance with section 204
3 of this act [and shall forward, by registered mail, copies of
4 the plat to the division and the division] and such information
5 needed by the department to administer this act. The department
6 shall [in turn] forward, by [registered] certified mail, a copy
7 of said plat to the surface landowner and the owner and lessee,
8 if any, of such coal and every coal operator [, operating in any
9 of said seams of coal, who has the right to file objections
10 under section 202 and who has mapped the same and filed his maps
11 with the Department of Mines as required by law.] as they are
12 identified on the well permit application. The department shall
13 publish the plat in the Pennsylvania Bulletin. If the [well
14 operator] applicant submits to the [division] department written
15 approval of the proposed well location by the surface landowner
16 and the coal operator, lessee or owner, if any, of the coal
17 underlying the proposed well location and no objections are
18 raised by the [division] department or by any person who can
19 show that he is directly affected by the drilling within [ten]
20 forty-five days of filing or if no such approval has been
21 submitted and no objections are made to such proposed well
22 location within [ten] fifteen days from receipt of such notice
23 by the surface landowner and the coal operator, lessee or owner,
24 if any, or by the [division] department, the same shall be filed
25 and become a permanent record of such location, subject to
26 inspection at any time by any interested person, and the
27 [division] department shall forthwith [issue a drilling permit
28 to the well operator and] make a determination whether to issue
29 or deny the permit. Upon issuance of a permit the well operator
30 may proceed with the drilling of the well at the exact location

1 shown on the plat after providing the department reasonable
2 notice of the date that drilling will commence. Such notice
3 shall be published in a newspaper of general circulation for two
4 consecutive weeks prior to drilling: Provided, however, That in
5 non-coal areas where more than one well is to be drilled as part
6 of the same development project, only the first well of the
7 project need be located by survey. The remaining wells of the
8 project shall be shown on the plat [with courses and distances
9 from the first well plainly marked] in a manner prescribed by
10 regulation. Prior to drilling each of the additional project
11 wells, the well operator shall notify the [division] department
12 of his intention [and a permit will be issued forthwith] and
13 provide reasonable notice of the date drilling will commence.
14 Whenever during the drilling of any well which is not underlain
15 by an operating coal mine, the well operator shall encounter
16 conditions of such a nature as to render continued drilling in
17 the same bore hole more hazardous than usual, or otherwise
18 impossible, then the well operator shall have the right, upon
19 verbal notice to the appropriate department representative, to
20 plug immediately such bore hole and to commence a new bore hole
21 not more than fifty feet distant: Provided, however, That for
22 wells subject to the act of July 25, 1961 (P.L.825, No.359),
23 known as the "Oil and Gas Conservation Law," the new location
24 complies with any existing law, regulation or spacing order and
25 is minimum of three hundred thirty feet distant from the nearest
26 lease boundary. Within ten days of commencement of such new bore
27 hole, the well operator shall file a written notice of intention
28 to plug, a well record, a completion report, a plugging
29 certificate for the original bore hole and an amended plat for
30 the new bore hole with the department.

1 (b) It shall be the duty of the well operator to keep [a
2 driller's log] records of [such well] any well drilled or
3 altered. [Such log shall show the character, thickness and depth
4 of the formations passed through or encountered in the drilling
5 of such well and show the depth at which all gas, oil and water
6 were encountered. The log shall show whether the well is
7 productive of gas, oil or water, the volume or quantity thereof
8 and the initial rock pressure of such well which has been taken
9 for a period of not less than forty-eight hours.] A record of
10 the well containing such information as required by regulation
11 shall be filed with the department within thirty days of
12 cessation of drilling. A [copy of this log] completion report
13 containing such additional information as required by regulation
14 shall be [furnished to] filed with the [division] department
15 within thirty days after the completion of the well and it shall
16 be kept on file by the [division] department. Within ninety days
17 after the completion of drilling or recompletion of a well, if
18 requested by the department, the well operator shall submit a
19 copy of the electrical, radioactive or other standard industry
20 logs if they have been run. In addition, if requested by the
21 department within one year, the well operator shall file a copy
22 of drill stem test charts, formation water analysis, porosity,
23 permeability or fluid saturation measurements, core analysis and
24 lithologic log or sample description or other similar data as
25 compiled: Provided, That no such information shall be required
26 unless the well operator has had such information compiled in
27 the ordinary course of business. No interpretation of the data
28 is to be filed.

29 (c) [Drilling permits issued for wells covered by this act
30 shall expire one year after issuance unless operations for

1 drilling the well are commenced within such period and
2 prosecuted with due diligence. Nothing in this subsection shall
3 be construed to rescind the provisions pertaining to drilling
4 permits contained in the act of July 25, 1961 (P.L.825), known
5 as the "Oil and Gas Conservation Law."] Upon notification by
6 the department prior to commencement of drilling, the well
7 operator shall collect for the department additional data as the
8 department shall specify, such as representative drill cuttings
9 and samples from cores taken and any other such geological
10 information that the operator reasonably can compile. No
11 interpretation of the data is to be filed.

12 (d) All electrical, radioactive or other standard industry
13 logs furnished under subsection (b) or drill cuttings furnished
14 under subsection (c) hereof shall be kept confidential for one
15 year after the date the information is required to be filed
16 hereunder, if the operator requests such confidential treatment
17 at the time the information is submitted to the department. Upon
18 request of the well operator, the department may for good cause
19 shown extend the period of confidentiality for two years. The
20 total period of confidentiality shall not exceed three years.

21 (e) A copy of the well permit shall be posted at the
22 drilling site, in a conspicuous manner, prior to commencement of
23 drilling.

24 (f) The well operator shall install the permit number issued
25 by the department in a legible, visible and permanent manner on
26 the well upon completion.

27 Section 5. Section 202 of the act, amended July 31, 1968
28 (P.L.881, No.265), is amended to read:

29 Section 202. [Drilling] Well Permit, Distance Restrictions,
30 Agreed Location of Wells, Docket of Proceedings, Expiration.--

1 (a) Wells may not be drilled within two hundred fifty feet
2 measured horizontally from any building or existing water well
3 without the written consent of the owner, thereof.

4 (b) No well site may be prepared or well drilled within two
5 hundred fifty feet measured horizontally from any stream, spring
6 or body of water as identified on the most current seven and
7 one-half minute topographic quadrangle map of the U. S.
8 Geological Survey or within two hundred fifty feet of any
9 wetlands as defined herein: Provided, however, That the
10 department may waive such distance restrictions upon submission
11 of a plan which shall identify the additional measures,
12 facilities or practices to be employed during well site
13 construction, drilling and operations. Such waiver, if granted,
14 may impose such permit conditions as are necessary to protect
15 the waters of the Commonwealth. The department shall notify the
16 owner of mineral rights, surface rights and the general public
17 in the Pennsylvania Bulletin and in a newspaper of general
18 circulation in the area affected of any request for a variance.
19 A forty-five day comment period shall precede a decision on a
20 variance.

21 (b.1) No well site may be prepared or well drilled within
22 five hundred feet of the following:

23 (1) A corridor of an area designated or under study as a
24 National or State wild, scenic, or recreational river in
25 accordance with the National Wildlife and Scenic Rivers Act of
26 1968 or the act of December 5, 1972 (P.L.1277, No.283), known as
27 the "Pennsylvania Scenic Rivers Act."

28 (2) A National Wildlife Refuge managed by the United States
29 Fish and Wildlife Service.

30 (3) A National Natural Landmark designated by the United

1 States National Park Service.

2 (4) A Pennsylvania Natural and Wild Area managed by the
3 Department of Environmental Resources.

4 (5) A National Park or a State Park.

5 (6) A county or local park or recreation area.

6 (7) A critical habitant or a critical portion of the range
7 of a rare, threatened or endangered species protected by the
8 Federal Endangered Species Act of 1973 or recognized by the
9 Pennsylvania Fish Commission or the Pennsylvania Game
10 Commission.

11 (8) An historic or archaeological site listed on the Federal
12 or State Register of Historical Places.

13 (c) In case any well location referred to in section 201(a)
14 is made so that the well, when drilled, will be located on a
15 tract whose surface is owned by a person other than the well
16 operator then the surface landowner affected shall be notified
17 of the intent to drill and have right to file objections based
18 on the assertion that information in the application is untrue
19 or that the well location violates subsection (a) in accordance
20 with section 501(b.1) to such proposed location within forty-
21 five days of the receipt by the surface owner of the plat
22 provided for in section 201(a). The department shall publish the
23 plat in the Pennsylvania Bulletin and in a newspaper of general
24 circulation in the affected area at least forty-five days prior
25 to official action on the permit application. Any resident in
26 the general area of the proposed drilling site shall have the
27 right to comment on the pending permit application to include
28 comment based on information being untrue or that proposed
29 drilling is in violation of any law or regulation of the United
30 States Government or of this Commonwealth. Objections from the

1 public shall be limited to the assertion that the drilling
2 application does not satisfy this act or any other statute or
3 regulation of this Commonwealth or that the information in the
4 application is false. If no such objections are filed or none
5 are raised by the department within forty-five days after
6 publication of the plat by the department, or if written
7 approval by the surface landowner is filed with the department
8 and no objections are raised by the department within forty-five
9 days of filing the department shall forthwith make a
10 determination whether to issue or deny the permit.

11 [(a)] (d) In case any well location referred to in
12 subsection (a) of section 201 is made so that the well when
13 drilled will penetrate anywhere within the outside coal
14 boundaries of any operating coal mine or coal mine already
15 projected and platted but not yet being operated or within one
16 thousand linear feet beyond such boundaries and the well when
17 drilled or the pillar of coal about the well will, in the
18 opinion of the coal owner or operator, unduly interfere with or
19 endanger such mine, then the coal owner or operator affected
20 shall have the right to file objections in accordance with
21 subsection [(h)] (b.1) of section 501 to such proposed location
22 within [ten] forty-five days of the receipt by the coal operator
23 of the plat provided for in subsection (a) of section 201. An
24 alternative location at which the proposed well could be drilled
25 to overcome such objections shall, if possible, be indicated. If
26 no such objections to the proposed location are filed or if none
27 are raised by the [division] department within [ten] forty-five
28 days after receipt of the plat by the coal operator or owner, or
29 if written approval by the coal operator or owner of the
30 location is filed with the [division] department and no

1 objections are raised by the [division] department within [ten]
2 forty-five days of filing, the [division] department shall
3 forthwith [issue to the well operator a drilling permit
4 authorizing the well operator to drill at such location] make a
5 determination whether to issue or deny a permit.

6 [(b)] (e) If any objections are filed by any coal operator
7 or owner or are made by the [division] department, the
8 [division] department shall fix a time and place for a
9 conference in accordance with section 502 not more than ten days
10 from the date of the service of such objections on the well
11 operator at which conference the well operator and such coal
12 operators or owners as are present or represented shall consider
13 the objections and attempt to agree upon a location. If they
14 fail to agree upon a location, the [division shall direct that a
15 hearing be held within five days of such conference in
16 accordance with section 502 and, after such hearing, shall,]
17 department shall by an appropriate order, determine a location
18 on such tract of land as near to the original location as
19 possible where, in the judgment of the [division] department,
20 the well can be safely drilled without unduly interfering with
21 or endangering such mine as defined in subsection (d). Such new
22 location as agreed upon by said parties or as determined by the
23 [division] department shall be indicated on the plat on file
24 with the [division] department and shall become a permanent
25 record, whereupon the [division] department shall promptly issue
26 a [drilling] well permit authorizing the well operator to drill
27 at the location agreed upon by the parties or as determined by
28 the [division] department or shall promptly deny the permit.

29 [(c)] (f) Within one hundred and twenty days after the
30 commencement of drilling operations, the coal operator shall

1 accurately locate the well by a closed survey on the same datum
2 as the mine workings or coal boundaries are mapped and file the
3 results of the survey with the [division] department and
4 forward, by [registered] certified mail, a copy to the well
5 operator.

6 (g) Within one year from the effective date of this act,
7 every person owning an operating well for which no drilling
8 permit or file number was issued by the department shall
9 register such well on a form to be provided by the department
10 and shall provide available information specifying well
11 location, the number or other identification given the well by
12 the owner, producing horizons, total depth, well construction
13 and driller's logs. The department may establish appropriate
14 well registration fees by regulation. The department will, upon
15 receipt of the required information, issue a registration number
16 for said operating well.

17 [(d)] (h) No well shall be [drilled] operated except in
18 accordance with a permit or file number issued under this
19 section, nor shall an unpermitted well be altered in any manner
20 without a permit issued under this section: Provided, however,
21 That a well drilled prior to the effective date of the act of
22 July 31, 1968 (P.L.881, No.265) may be lawfully operated if it
23 is registered with the department pursuant to subsection (g)
24 hereof.

25 (i) Well permits issued for drilling of wells covered by
26 this act shall expire one year after issuance unless operations
27 for drilling the well are commenced within such period and
28 prosecuted with due diligence or unless the permit is renewed in
29 accordance with regulations of the department. If drilling is
30 commenced during the one-year period, the well permit shall

1 remain in force until the well is plugged in accordance with
2 section 205(a) or (b) or the permit is revoked. Any drilling
3 permit issued prior to the effective date of this amending act
4 for a well which is an operating well on said date shall remain
5 in force as a well permit until the well is plugged in
6 accordance with section 205(a) or (b). Nothing in this
7 subsection shall be construed to rescind the provisions
8 pertaining to drilling permits contained in the act of July 25,
9 1961 (P.L.825, No.359), known as the "Oil and Gas Conservation
10 Law."

11 Section 6. The act is amended by adding a section to read:

12 Section 202.1. Permits.--(a) Every application for a well
13 permit shall be accompanied by a permit fee established by
14 regulation of the department.

15 (b) If the well operator in an application for a permit is a
16 corporation, partnership or a person nonresident of the
17 Commonwealth, then there shall be designated the name and
18 address of an agent for such operator who shall be the attorney
19 in fact for the operator and who shall be a resident of the
20 Commonwealth upon whom notices, orders or other communications
21 issued pursuant to this act or the regulations adopted hereunder
22 may be served, and upon whom process may be served. Every well
23 operator required to designate an agent under this section shall
24 within five days after the termination of such designation
25 notify the department of such termination and designate a new
26 agent. Every application shall include a written statement by
27 the operator which shall state the operator's plans for
28 disposing of all liquid and solid wastes produced in all phases
29 of drilling.

30 (c) No permit shall be granted to any applicant until the

1 applicant has offered proof that he has received all other
2 permits as required by the act of June 22, 1937 (P.L.1987,
3 No.394), known as "The Clean Streams Law," the act of July 7,
4 1980 (P.L.380, No.97), known as the "Solid Waste Management
5 Act," and any other applicable Federal or State acts or
6 regulations.

7 (d) The department shall have the right to deny a permit to
8 any person who is in violation of any of the provisions of the
9 act or other applicable laws, rules or regulations of the
10 department with respect to any other well or wells of which he
11 is the operator. The department's right to deny a permit under
12 this section shall not be effective until a final administrative
13 determination has been made of any alleged violation.

14 (e) The department shall have the right to revoke the permit
15 for any well where the operator is in violation of the act or
16 other applicable laws, rules and regulations of the department.
17 Prior to any revocation of a permit, the department shall give
18 written notice to the well operator of its intended action. Said
19 well operator shall have forty-five days to request a conference
20 with the department to give cause why such action should not be
21 taken. Upon receipt of such written notice, the department shall
22 hold a conference and shall, within ten days thereafter, make a
23 determination. Nothing in this section shall preclude the well
24 operator's appeal rights under existing law nor the department's
25 right to suspend the permit where there is a threat of imminent
26 danger to persons or property or of pollution of the waters of
27 the Commonwealth.

28 (f) Each oil or gas well owner or operator shall restore the
29 land surface and the road system within the area disturbed in
30 siting, drilling, completing and producing the well. Road

restoration requirements may be waived through written agreement with surface owners or legal transfer of road jurisdiction to a public agency.

(1) Within nine months after completion of any well, the owner or operator shall restore the well site by removing or filling all pits used to contain produced fluids or industrial wastes and remove all drilling supplies and equipment not needed for production. Restoration shall be in accordance with a soil erosion and sediment control plan prepared in accordance with 25 Pa. Code § 102.1 et seq. for the well site and shall accomplish soil stabilization on the well site.

(2) Within sixty days after plugging a well, the owner or operator shall remove all production or storage facilities, supplies and equipment and restore the well site in accordance with a soil erosion and sediment control plan prepared for the well site in accordance with 25 Pa. Code § 102.1 et seq.

(3) Failure to restore the well site as specified in this act or in regulations promulgated hereunder is a violation of this act.

(4) The restoration period may be extended by the department for an additional ninety days upon application of the well owner or operator providing evidence of inability to comply due to adverse weather conditions or lack of essential fuel, equipment or labor.

Section 7. Subsections (a) and (b) of section 203 of the act are amended to read:

Section 203. Coal Operator's Responsibility Upon Approaching Wells Already Drilled or Located.--(a) Hereafter, at any time prior to removing any coal or other underground material or extending the workings in any coal mine within five hundred feet

1 of any oil or gas well of which the coal operator has knowledge,
2 or any approved well location of which the coal operator has
3 knowledge, the coal operator shall forward, by [registered]
4 certified mail, to or file with the well operator and the
5 [division] department a copy of such relevant part of its maps
6 and plans which it is presently required by law to prepare and
7 file with the [Department of Mines] department, showing the
8 pillar which the coal operator proposes to leave in place around
9 each oil or gas well in the projected workings. Following the
10 filing of said maps and plans, the coal operator may proceed
11 with his mining operations in the manner projected on said maps
12 and plans but he shall not remove any coal or cut any passageway
13 within one hundred fifty feet of any such well or approved well
14 location until a permit has been issued as hereinafter provided.
15 If, in the opinion of the well operator or the [division]
16 department, such plan indicates that the pillar proposed to be
17 left around any such well or approved well location is
18 insufficient in size, then the well operator affected shall
19 attempt to agree with the coal operator upon a suitable pillar,
20 subject to the approval of the [division] department but,
21 failing to agree, such well operator may, within ten days from
22 receipt by them of such plan, file objections in accordance with
23 subsection [(h)] (b.1) of section 501 to such proposed plan,
24 indicating the size of the pillar to be left with respect to
25 each such well. If no objections are filed within said ten day
26 period or if none are raised by the [division] department, the
27 [division] department shall forthwith issue a permit to the coal
28 operator reciting the filing of said maps or plans, that no
29 objections have been made thereto and that the pillar proposed
30 to be left for each such well is approved in the manner as

1 projected.

2 (b) If any objections are filed by such well operator or are
3 raised by the [division] department, the [division] department
4 shall direct that a conference be held in accordance with
5 section 502 within ten days of the filing of such objections. At
6 such conference the coal operator and the person who has filed
7 such objections shall attempt to agree upon a proposed plan,
8 showing the pillar to be left around each well, which will
9 satisfy such objections and be approved by the [division]
10 department and, if such plan is agreed upon, the [division]
11 department shall forthwith issue to the coal operator a permit
12 reciting the filing of said plan and that the pillar to be left
13 for each such well is approved as agreed upon. If no such plan
14 showing the pillar to be left with respect to each well can be
15 agreed upon at such conference, the [division] department shall
16 [direct that a hearing be held within five days after such
17 conference in accordance with section 502 and, after such
18 hearing, shall, in accordance with the standards set forth in
19 this section and] by an appropriate order, determine the pillar
20 to be left with respect to each such well. In any proceeding
21 under this section, the [division] department shall follow as
22 nearly as is possible the original plan filed by the coal
23 operator. The [division] department shall not require the coal
24 operator to leave a pillar in excess of one hundred feet in
25 radius, except that, if it is established that unusual
26 conditions exist requiring the leaving of a larger pillar, the
27 [division] department may require a pillar up to but not
28 exceeding one hundred fifty feet in radius. The pillar to be
29 left with respect to each well as determined by the [division]
30 department shall be shown on the maps or plans on file with the

1 [division] department as provided in subsection (a) of this
2 section and the [division] department shall thereupon issue to
3 the coal operator a permit approving the pillar to be left for
4 each such well.

5 * * *

6 Section 8. The act is amended by adding a section to read:

7 Section 203.1. Permits.--Every application for a coal pillar
8 permit shall be accompanied by a fee established by regulation
9 of the department.

10 Section 9. Section 204 of the act is repealed.

11 Section 10. The act is amended by adding a section to read:

12 Section 204.1. Casing Requirements.--(a) To prevent the
13 migration of gas or fluids into sources of fresh ground water
14 and to prevent intermingling of fresh ground waters, there shall
15 be run and permanently cemented a string of casing in each well
16 drilled through the fresh water bearing strata in a manner
17 prescribed by regulation by the department.

18 (b) When a well is drilled at a location where the coal has
19 been removed from one or more coal seams the well shall be
20 drilled and cased to prevent the migration of gas or fluids into
21 the seam from which the coal has been removed in a manner
22 prescribed by regulation of the department. The department and
23 the coal operator, owner or lessee shall be given at least seven
24 days notice prior to commencement of the work protecting the
25 mine.

26 (c) When a well is drilled at a location where the coal seam
27 has not been removed the well shall be drilled to such a depth
28 and of size as will permit the placing of casing, packers in,
29 and vents on, the hole at such points and in such a manner
30 prescribed by the department by regulation as will exclude all

1 gas or fluids from the coal seam except such as may be found
2 naturally in the coal seam itself and will enable the monitoring
3 of the integrity of the production casing.

4 Section 11. Section 205 of the act, amended July 31, 1968
5 (P.L.881, No.265), is amended to read:

6 Section 205. Notice of Intention to Plug a Well and Filing
7 of Plugging Certificate.--(a) Prior to the abandonment of any
8 well in an area underlain by a workable coal seam, the well
9 operator shall notify the coal operator, [and the owner of all
10 known workable coal seams to whom notices are required to be
11 given under section 201 and such representative of the division
12 as the deputy secretary shall have designated,] lessee, owner of
13 the surface and the department of his intention to plug and
14 abandon any such well and submit a plat (on a form to be
15 furnished by the [division] department) showing the location of
16 the well and fixing the date and time at which the work of
17 plugging will be commenced, which time shall be not less than
18 [seventy-two hours] seven days after the time when such notice
19 is received, nor more than thirty days thereafter in order that
20 their representatives may be present at the plugging of the
21 well. Such notice may be waived by the [division] department and
22 said coal operator, lessee or owner and either of them may
23 likewise waive his right to be present but such waiver by coal
24 operator, lessee or owner shall be in writing and a copy thereof
25 attached to notice of abandonment, filed with the [division]
26 department under this section. Whether or not such
27 representatives appear, the well operator may, if he has fully
28 complied with the requirements of this section, proceed, at the
29 time fixed, to plug the well in the manner [hereinafter
30 described] as prescribed by regulation of the department. When

1 such plugging has been completed, a certificate shall be
2 prepared and signed (on a form to be furnished by the [division]
3 department) by two experienced and qualified [men] people who
4 participated in the work setting forth the time and manner in
5 which the well was plugged. One copy of this certificate shall
6 be mailed to each coal operator, lessee or owner to whom notice
7 was given by [registered] certified mail and another copy shall
8 be mailed to the [division] department.

9 (b) Prior to the abandonment of any well, except an
10 uncompleted bore hole plugged immediately upon suspension of
11 drilling under provisions of section 201(a), in an area not
12 underlain by a workable coal seam, the well operator shall
13 notify the [division or such representative of the division as
14 the deputy secretary shall have designated] surface owner and
15 the department of his intention to plug and abandon any such
16 well and submit a plat (on a form to be furnished by the
17 [division] department) showing the location of the well and
18 fixing the date and time at which the work of plugging will be
19 commenced, which time shall not be less than seventy-two hours
20 nor more than thirty days after the time of mailing such notice,
21 in order that the [division] department representative may be
22 present at the plugging of the well. Such notice or waiting
23 period may be verbally waived by the [division or its
24 representative] department: Provided, however, That in non-coal
25 areas where more than one well has been drilled as part of the
26 same development project, and these wells are now to be plugged,
27 it is required that the [district oil and gas representative]
28 department be given seventy-two hours notice prior to plugging
29 the first well of such project subject to waiver of notice
30 described herein. [In the plugging of subsequent wells on this

1 project it shall be the responsibility of the division
2 representative to learn when this work is to be continued.] In
3 the plugging of subsequent wells no additional notice shall be
4 required if the plugging on the project is continuous. If the
5 plugging of subsequent wells is delayed for any reason, notice
6 shall be given to the department of the continuation of such
7 project. Whether or not such [division] department
8 representative appears, the well operator may, if he has fully
9 complied with the requirements of this section, proceed at the
10 time fixed to plug the well in the manner [hereinafter
11 described] as prescribed by regulation of the department. When
12 such plugging has been completed a certificate shall be
13 prepared, (on a form to be furnished by the [division]
14 department) by two experienced and qualified [men] people who
15 participated in the work, setting forth the time and manner in
16 which the well was plugged. A copy of this certificate shall be
17 mailed to the [division] department.

18 (c) Whenever any well is to be abandoned immediately after
19 completion of drilling, the well operator, if he has informed
20 the coal operator, lessee or owner and the department of the
21 time when drilling commenced, shall give at least seven days
22 notice by telephone, confirmed by certified mail, to the
23 department, the surface owner and to the coal operator, lessee
24 or owner, if any, fixing the date and time at which the work of
25 plugging will be commenced. Such notice may be waived by the
26 department and said coal operator, lessee or owner, and any of
27 them may likewise waive his right to be present. Whether or not
28 any representative of the department or of the coal operator,
29 lessee or owner, if any, appear, the well operator may, if he
30 has fully complied with the requirements of this section,

1 proceed, at the time fixed, to plug the well in the manner
2 provided by regulation prescribed by the department. The well
3 operator shall prepare the certificate of plugging and mail
4 copies of the same as provided in subsections (a) and (b).

5 (d) If a well is abandoned without plugging the department
6 shall have the right to enter upon the well site and plug the
7 abandoned well and to sell such equipment casing and pipe as may
8 have been used in the production of the well in order to recover
9 the costs of plugging. An abandoned, unplugged well is hereby
10 declared to constitute a public nuisance.

11 Section 12. The act is amended by adding a section to read:

12 Section 205.1. Indemnity Bond; Filing and Execution;
13 Contents; Conditions.--(a) Upon filing an application for a
14 well permit or upon registration of an operating well and before
15 continuing to operate any oil or gas well, the owner or operator
16 thereof shall file with the department a bond for the well and
17 the well site on a form to be prescribed and furnished by the
18 department, payable to the Commonwealth and conditioned that the
19 operator shall faithfully perform all of the requirements of
20 this act. The amount of the bond required shall be in the amount
21 of five thousand dollars (\$5,000) per well.

22 In lieu of individual bonds for each well an owner or
23 operator may file a blanket bond, on a form prepared by the
24 department, covering all of its wells in Pennsylvania as
25 enumerated on the bond form. A blanket bond shall be in the
26 amount of fifty thousand dollars (\$50,000).

27 Liability under such bond shall continue until the well has
28 been properly plugged in accordance with this act, and for a
29 period of one year after filing of the certificate of plugging
30 with the department. Each bond shall be executed by the operator

1 and a corporate surety licensed to do business in the
2 Commonwealth and approved by the secretary: Provided, however,
3 That the operator may elect to deposit cash, bank certificates
4 of deposit, automatically renewable irrevocable bank letters of
5 credit which may be terminated by the bank at the end of a term
6 only upon the bank giving ninety days prior written notice to
7 the permittee and the department or negotiable bonds of the
8 United States Government or the Commonwealth of Pennsylvania,
9 the Pennsylvania Turnpike Commission, The General State
10 Authority, the State Public School Building Authority or any
11 municipality within the Commonwealth, with the department in
12 lieu of a corporate surety. The cash deposit, bank certificate
13 of deposit, amount of such irrevocable letter of credit or
14 market value of such securities shall be equal at least to the
15 sum of the bond. The secretary shall, upon receipt of any such
16 deposit of cash, letters of credit or negotiable bonds,
17 immediately place the same with the State Treasurer, whose duty
18 it shall be to receive and hold the same in the name of the
19 Commonwealth, in trust, for the purpose for which such deposit
20 is made. The State Treasurer shall at all times be responsible
21 for the custody and safekeeping of such deposits. The operator
22 making the deposit shall be entitled from time to time to demand
23 and receive from the State Treasurer, on the written order of
24 the secretary, the whole or any portion of any collateral so
25 deposited, upon depositing with him, in lieu thereof, other
26 collateral of the classes herein specified having a market value
27 at least equal to the sum of the bond, and also to demand,
28 receive and recover the interest and income from said negotiable
29 bonds as the same becomes due and payable: Provided, however,
30 That where negotiable bonds, deposited as aforesaid, mature or

1 are called, the State Treasurer, at the request of the owner
2 thereof, shall convert such negotiable bonds into such other
3 negotiable bonds of the classes herein specified as may be
4 designated by the owner: And, provided further, That where
5 notice of intent to terminate a letter of credit is given, the
6 department shall give the operator thirty days written notice to
7 replace the letter of credit with other acceptable bond
8 guarantees as provided herein, and if the owner or operator
9 fails to replace the letter of credit within the thirty day
10 notification period, the department shall draw upon and convert
11 such letter of credit into cash and hold it as a collateral bond
12 guarantee.

13 (b) No bond shall be fully released until all requirements
14 of this act are fully met. Upon release of all of the bond and
15 collateral as herein provided, the State Treasurer shall
16 immediately return to the owner the amount of cash or securities
17 specified therein.

18 (c) If the well owner or operator fails or refuses to comply
19 with the requirements of this act, the regulations promulgated
20 hereunder or the conditions of the permit, the department shall
21 declare the bond forfeited and shall certify the same to the
22 Attorney General, who shall proceed to enforce and collect the
23 full amount of the bond and where the owner or operator has
24 deposited cash or securities as collateral in lieu of a
25 corporate surety, the department shall declare said collateral
26 forfeited and shall direct the State Treasurer to pay the full
27 amount of said funds into the Well Plugging Restricted Revenue
28 Account, or to proceed to sell said securities to the extent
29 forfeited and pay the proceeds thereof into the Well Plugging
30 Restricted Revenue Account. Should any corporate surety or bank

1 fail to promptly pay, in full, a forfeited bond, it shall be
2 disqualified from writing any further bonds under this act or
3 any other environmental act administered by the department. Any
4 person aggrieved by reason of forfeiting the bond or converting
5 collateral, as herein provided, shall have a right to appeal to
6 the Environmental Hearing Board in the manner provided by law.
7 Upon forfeiture of a blanket bond for a violation occurring at
8 one or more well sites, the person whose bond is forfeited shall
9 submit a replacement bond to cover all other wells of which he
10 is owner or operator within ten days of said forfeiture. Failure
11 to submit said replacement bond constitutes a violation of this
12 section as to each of the wells owned or operated by said
13 person.

14 (d) All remedies for violation of this act, the regulations
15 adopted hereunder or the conditions of permits, are expressly
16 preserved. Nothing in subsections (a) through (c) shall be
17 construed as an exclusive penalty or remedy for such violations
18 of law. No action taken pursuant to subsection (c) shall waive
19 or impair any other remedy or penalty provided in law.

20 Section 13. Section 206 of the act is repealed.

21 Section 14. The act is amended by adding a section to read:

22 Section 206.1. Plugging Requirements.--Upon abandoning or
23 ceasing to operate any well the owner or operator thereof shall
24 plug the well in a manner prescribed by regulation of the
25 department in order to stop any vertical flow of fluids or gas
26 within the well bore.

27 Section 15. Section 207 of the act is amended to read:

28 Section 207. Alternative Method.--[(a)] Whenever provision
29 is made in this act [by reference to this section for using an
30 alternative method or material in carrying out any obligation

1 imposed by the act, the person seeking] for adoption of
2 regulatory requirements for casing, plugging or equipping a
3 well, a well operator may request the authority to use [such] an
4 alternative method or material [shall file] by filing an
5 application with the [division] department, describing such
6 proposed alternative method or material in reasonable detail
7 indicating the manner in which it will accomplish the goals of
8 this act and regulations adopted pursuant hereto. Notice of
9 filing of any such application shall be given by the well
10 operator by [registered] certified mail to any coal operator or
11 operators affected. Any such coal operator may, within [ten]
12 fifteen days following such notice, file objections to such
13 proposed alternative method or material. If no objections are
14 filed within said [ten] fifteen day period [or] and if none is
15 raised by the [division] department, the [division] department
16 shall forthwith [issue a permit approving such] make a
17 determination whether to allow the use of the proposed
18 alternative method or material.

19 [(b) If any such objections are filed by any coal operator
20 or are raised by the division, the division shall direct that a
21 conference be held in accordance with section 502 within ten
22 days following the filing of such objections. At such conference
23 the person seeking approval of the alternative method or
24 material and the person who has filed such objections shall
25 attempt to agree on such alternative method or material or any
26 modifications thereof and, if such agreement is reached and
27 approved by the division, the division shall forthwith issue a
28 permit approving the alternative method or material. If no such
29 agreement is reached and approved, the division shall direct
30 that a hearing be held in accordance with section 502 hereof:

1 Provided, however, That if the alternative method or material
2 involves a new development in technology or technique, the
3 division may before such a hearing is held, grant such affected
4 parties a period not to exceed ninety days to study and evaluate
5 said proposed alternative method or material. Following such
6 hearing, if the division shall find that such proposed
7 alternative method or material will furnish adequate protection
8 to the workable coal seams, the division shall by order approve
9 such alternative method or material, otherwise the division
10 shall deny the said application.]

11 Section 16. Section 208 of the act, added July 31, 1968
12 (P.L.881, No.265), is amended to read:

13 Section 208. [Oil and Gas Division Cooperation with Sanitary
14 Water Board.--Upon request of the Sanitary Water Board the Oil
15 and Gas Division shall, and upon its own initiative it may,
16 submit to said board] Regulatory Authority.--The department
17 shall submit to the Environmental Quality Board recommended
18 regulations for the control and prevention of pollution of
19 surface and underground waters resulting from drilling,
20 operation, abandonment or plugging of [oil or gas] wells. [The
21 Oil and Gas Division shall report to the Sanitary Water Board
22 any violation of The Clean Streams Law, or of any regulation or
23 order of said board issued pursuant thereto, which the division
24 shall find in its inspections and investigations made under the
25 authority conferred by section 501 (g) of this act.] The
26 Environmental Quality Board shall also adopt regulations
27 pursuant to this act for the proper regulation of drilling,
28 equipping, producing and plugging of wells.

29 Section 17. The act is amended by adding sections to read:

30 Section 209. Coal, Oil and Gas Technical Board.--(a) There

1 shall be created a Coal, Oil and Gas Technical Board. Said board
2 shall include at least three petroleum engineers, petroleum
3 geologists or experienced driller representatives from the oil
4 and gas industry with three years of experience in Pennsylvania,
5 and one mining engineer representative from the coal industry
6 with three years of experience in Pennsylvania, all appointed by
7 the secretary for a term of three years. Said members shall not
8 receive a salary but shall be reimbursed for all necessary
9 expenses incurred in the performance of their duties. The board
10 shall meet upon the call of the secretary. Vacancies on the
11 board shall be filled by the secretary within six months.

12 (b) The department shall consult with the Coal, Oil and Gas
13 Technical Board in the formulation, drafting and presentation
14 stages of all regulations of a technical nature promulgated
15 under this act. The board shall be given a reasonable
16 opportunity to review and comment on all regulations of a
17 technical nature prior to submission to the Environmental
18 Quality Board for initial consideration. The written report of
19 the technical board shall be presented to the Environmental
20 Quality Board with any regulatory proposal.

21 Section 210. Use of Safety Devices to Prevent Blowouts,
22 Explosions and Fires.--Any person engaged in drilling any oil or
23 gas well shall equip the well with casings of sufficient
24 strength and with such other safety devices as may be necessary,
25 in a manner as prescribed by regulation of the department, and
26 shall use every effort and endeavor effectively to prevent
27 blowouts, explosions and fires.

28 Section 18. Section 301 of the act is amended to read:

29 Section 301. Filing of Maps and Data by Persons Operating or
30 Proposing to Operate Gas Storage Reservoirs.--(a) Any person

1 who, on the effective date of this act, is injecting gas into or
2 storing gas in a storage reservoir which underlies or is within
3 three thousand linear feet of an operating coal mine which is
4 operating in a coal seam that extends over the storage reservoir
5 or the reservoir protective area, shall, within sixty days
6 thereafter, file with the [division] department a copy of a map
7 and certain data in the form and manner provided in this
8 subsection or as otherwise prescribed by regulation of the
9 department.

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

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

23 The map provided for herein shall be prepared by a competent
24 engineer or competent geologist. It shall show the stratum or
25 strata in which the existing or proposed storage reservoir is or
26 is to be located, the geographic location of the outside
27 boundaries of the said storage reservoir and the reservoir
28 protective area, the location of all known oil or gas wells
29 which have been drilled into or through the storage stratum
30 within the reservoir or within three thousand linear feet

1 thereof, indicating which of these wells have been or are to be
2 cleaned out and plugged or reconditioned for storage and also
3 indicating the proposed location of all additional wells which
4 are to be drilled within the storage reservoir or within three
5 thousand linear feet thereof.

6 The following information, if available, shall be furnished
7 for all known oil or gas wells which have been drilled into or
8 through the storage stratum within the storage reservoir or
9 within three thousand linear feet thereof, name of the operator,
10 date drilled, total depth, depth of production if the well was
11 productive of oil or gas, the initial rock pressure and volume,
12 the depths at which all coal seams were encountered and a copy
13 of the driller's log or other similar information. At the time
14 of the filing of the aforesaid maps and data, such person shall
15 file a detailed statement of what efforts he has made to
16 determine (1) that the wells shown on said map are accurately
17 located thereon and (2) that, to the best of his knowledge, they
18 are all the oil or gas wells which have ever been drilled into
19 or below the storage stratum within the proposed storage
20 reservoir or within the reservoir protective area. This
21 statement shall also include information as to whether or not
22 the initial injection is for testing purposes, the maximum
23 pressure at which injection and storage of gas is contemplated
24 and a detailed explanation of the methods to be used or which,
25 theretofore, have been used in drilling, cleaning out,
26 reconditioning and plugging wells in the storage reservoir or
27 within the reservoir protective area. The map and data required
28 to be filed hereunder shall be amended or supplemented semi-
29 annually in case any material changes have occurred: Provided,
30 however, That the [division] department may require a storage

1 operator to amend or supplement such map or data at more
2 frequent intervals if material changes have occurred justifying
3 such earlier filing.

4 (b) The requirements of this section shall not apply to the
5 operator of an underground gas storage reservoir so long as said
6 reservoir is located more than ten thousand linear feet from an
7 operating coal mine: Provided, however, That such storage
8 operator shall give notice to the [division] department of the
9 name of each political subdivision and county in which said
10 operator maintains and operates a gas storage reservoir. In
11 those political subdivisions and counties where both gas storage
12 reservoirs and coal mines are being operated, the [division]
13 department may request the storage operator to furnish maps
14 showing the geographical location and outside boundaries of such
15 storage reservoirs. The [division] department shall keep a
16 record of such information and shall promptly notify [both] the
17 coal operator and the storage operator [if it is found] when
18 notified by them that the coal mine and storage reservoir are
19 within ten thousand linear feet of each other.

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

1 operator.

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

13 Section 19. Section 302 of the act, amended July 31, 1968
14 (P.L.881, No.265), is amended to read:

15 Section 302. Filing of Maps and Data by Persons Operating
16 Coal Mines.--(a) Any person owning or operating a coal mine
17 shall, within thirty days from the effective date of this act,
18 file with the [division] department a map prepared by a
19 competent engineer, showing the outside coal boundaries of the
20 said operating coal mine, the existing workings and exhausted
21 areas and the relationship of said boundaries to identifiable
22 surface properties and landmarks: Provided, however, That any
23 operating coal mine, which has been penetrated by a well since
24 the effective date of this act, shall furnish a mine map to the
25 [division] department each year indicating the excavations for
26 the preceding year and the projections for the ensuing year. Any
27 person who is storing or contemplating the storage of gas in the
28 vicinity of such operating coal mines shall, upon written
29 request, be furnished a copy of the aforesaid map by the coal
30 operator and such person and the [division] department shall,

1 thereafter, be informed of any boundary changes at the time such
2 changes occur. The [division] department shall keep a record of
3 such information and shall promptly notify [both] the coal
4 operator and the storage operator [if it is found] when notified
5 by them that the coal mine and the storage reservoir are within
6 ten thousand linear feet of each other.

7 (b) Any person owning or operating any coal mine which, on
8 the date of the enactment of this act, is or which thereafter
9 comes within ten thousand linear feet of a storage reservoir,
10 and where the coal seam being operated extends over the storage
11 reservoir or the reservoir protective area, shall, within forty-
12 five days after he has notice from the [division] storage
13 operator of such fact, file with the [division] department and
14 furnish to the person operating such storage reservoir a map in
15 the form hereinabove provided and showing, in addition, the
16 existing and projected excavations and workings of such
17 operating coal mine for the ensuing eighteen month period and,
18 also, the location of any oil or gas wells of which said coal
19 operator has knowledge. Such person owning or operating said
20 coal mine shall, each six months thereafter, file with the
21 [division] department and furnish to the person operating such
22 storage reservoir a revised map showing any additional
23 excavations and workings, together with the projected
24 excavations and workings for the then ensuing eighteen month
25 period, which may be within ten thousand linear feet of said
26 storage reservoir: Provided, however, That the [division]
27 department may require a coal operator to file such revised map
28 at more frequent intervals if material changes have occurred
29 justifying such earlier filing. Such person owning or operating
30 said coal mine shall also file with the [division] department

1 and furnish the person operating said reservoir prompt notice of
2 any wells which have been cut into, together with all available
3 pertinent information.

4 Section 20. Subsections (a), (b), (c), (d), (e), (f), (h),
5 (i), (j), (k) and (o) of section 304 of the act are amended to
6 read:

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

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

20 (2) Plug or recondition in the manner provided by subsection
21 (c) of section 206 and subsection (e) of this section, all known
22 wells (except to the extent otherwise provided in subsections
23 (e), (f), (g) and (h) of this section) drilled into or through
24 the storage stratum and which are located within that portion of
25 the acreage of the operating coal mine overlying the storage
26 reservoir or the reservoir protective area: Provided, however,
27 That where objection is raised as to the use of any well as a
28 storage well and after a conference [or hearing] in accordance
29 with section 502, it is determined by the department, taking
30 into account all the circumstances and conditions that such well

1 should not be used as a storage well, such well shall be
2 plugged: Provided, however, That, if in the opinion of the
3 storage operator the well to which such objection has been
4 raised may at some future time be used as a storage well, the
5 storage operator may recondition and inactivate such well
6 instead of plugging it, if such alternative is approved by the
7 [division] department after taking into account all of the
8 circumstances and conditions.

9 The requirements of clause (2) of this subsection shall be
10 deemed to have been fully complied with if, as the operating
11 coal mine is extended, all wells which from time to time come
12 within the acreage described in said clause (2) are
13 reconditioned or plugged as provided in subsections (e) or (f)
14 of this section and [in subsection (c) of] section 206 so that
15 by the time the coal mine has reached a point within two
16 thousand linear feet of any such wells, they will have been
17 reconditioned or plugged so as to meet the requirements of said
18 subsections (e) or (f) and of [subsection (c) of] section 206.

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

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

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

30 (3) Such additional efforts, if any, as the storage operator

1 is making and intends to make to locate all [oil and gas] wells.

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

5 If such statement is not filed by the storage reservoir
6 operator within the time specified herein, the [division shall
7 summarily] department may order such operator to file such
8 statement.

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

22 If such agreement cannot be reached, the [division]
23 department shall [direct that a hearing be held in accordance
24 with section 502. At such hearing the division shall] determine
25 whether the requirements of section 301 and of subsection (a) of
26 this section have been met [and shall issue an order setting
27 forth such determination]. If the [division] department shall
28 determine that any of the said requirements have not been met,
29 the department shall issue an order which shall specify in
30 detail both the extent to which such requirements have not been

1 met and the things which the storage operator must do to meet
2 such requirements. The order shall grant to the storage operator
3 such time as is reasonably necessary to complete each of the
4 things which he is directed to do. If, in carrying out said
5 order, the storage operator encounters conditions which were not
6 known to exist at the time of the [hearing] issuance of the
7 order and which materially affect the validity of said order or
8 the ability of the storage operator to comply with the order,
9 the storage operator may apply for a [rehearing or] modification
10 of said order.

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

20 (e) In order to meet the requirements of subsection (a) of
21 this section, wells which are to be plugged shall be plugged in
22 the manner specified in [subsection (c) of] regulations
23 promulgated pursuant to section 206. When a well, located within
24 the storage reservoir or the reservoir protective area, has been
25 plugged prior to the enactment of this act and on the basis of
26 the data information and other evidence submitted to the
27 [division] department, it is determined that (1) such plugging
28 was done in the manner required in [subsection (c) of]
29 regulations promulgated pursuant to section 206, or in a manner
30 approved as an alternate method in accordance with section 207

1 and (2) said plugging is still sufficiently effective to meet
2 the requirements of this act, the obligations imposed by
3 subsection (a) of this section as to plugging said well shall be
4 considered fully satisfied.

5 (f) In order to meet the requirements of subsection (a) of
6 this section, wells which are to be reconditioned shall, unless
7 the department by regulation specifies a different procedure, be
8 cleaned out from the surface through the storage horizon and the
9 following casing strings shall be pulled and replaced with new
10 casing, using the same procedure as is applicable to drilling a
11 new well as provided for in this act, (1) the producing casing,
12 (2) the largest diameter casing passing through the lowest
13 workable coal seam unless such casing extends at least twenty-
14 five feet below the bottom of such coal seam and is determined
15 to be in good physical condition: Provided, however, That the
16 storage operator may, instead of replacing the largest diameter
17 casing, replace the next largest casing string if such casing
18 string extends at least twenty-five feet below the lowest
19 workable coal seam and (3) such other casing strings which are
20 determined not to be in good physical condition. In the case of
21 wells to be used for gas storage, the annular space between each
22 string of casing and the annular space behind the largest
23 diameter casing to the extent possible, shall be filled to the
24 surface with cement or aquagel or such equally nonporous
25 material as is approved by the division pursuant to section 207.
26 At least fifteen days prior to the time when a well is to be
27 reconditioned, the storage operator shall give notice thereof to
28 the coal operator, lessee or owner and to the [division]
29 department, setting forth in such notice the manner in which it
30 is planned to recondition such well and any pertinent data known

1 to the storage operator which will indicate the then existing
2 condition of such well. In addition, the storage operator shall
3 give the coal operator, lessee or owner and [such representative
4 of the division as the deputy secretary shall have designated]
5 the department at least seventy-two hours notice of the date and
6 time when such reconditioning is to begin. The coal operator,
7 lessee or owner shall have the right to file, within ten days
8 after the receipt of the first notice required herein,
9 objections to the plan of reconditioning as submitted by the
10 storage operator. If no such objections are filed or if none is
11 raised by the [division] department, within such ten day period,
12 the storage operator may proceed with the reconditioning in
13 accordance with the plan as submitted. If any such objections
14 are filed or are made by the [division] department, the
15 [division] department shall fix a time and place for a
16 conference in accordance with section 502, at which conference
17 the storage operator and the person who has filed such
18 objections shall endeavor to agree upon a plan of reconditioning
19 which meets the requirements herein and which will satisfy such
20 objections. If no plan is approved at such conference, the
21 [division shall direct that a hearing be held in accordance with
22 section 502 and after such hearing] department shall, by an
23 appropriate order, determine whether the plan as submitted meets
24 the requirements set forth herein or what changes, if any,
25 should be made to meet such requirements. If, in reconditioning
26 a well in accordance with said plan, physical conditions are
27 encountered which justify or necessitate a change in said plan,
28 the storage operator or the coal operator may request that the
29 plan be changed. If said parties cannot agree upon such change,
30 the [division] department shall arrange for a conference [or

1 hearing] in accordance with section 502 to determine the matter
2 in the same manner as set forth herein in connection with
3 original objections to said plan. Application may be made to the
4 division in the manner prescribed in section 207 for approval of
5 an alternative method of reconditioning a well. When a well
6 located within the storage reservoir or the reservoir protective
7 area has been reconditioned prior to the enactment of this act,
8 or was so drilled and equipped previously and on the basis of
9 the data, information and other evidence submitted to the
10 [division] department, it is determined that:

11 (1) Such reconditioning or previous drilling and equipping
12 was done in the manner required in this subsection, or in
13 regulations promulgated hereunder, or in a manner approved as an
14 alternative method in accordance with section 207.

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

22 * * *

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

1 (i) In fulfilling the requirements of clause (2) of
2 subsection (a) of this section with respect to a well within the
3 reservoir protective area, the storage operator shall not be
4 required to plug or recondition such well until he has received
5 from the coal operator written notice that the mine workings
6 will, within the period stated in such notice, be within two
7 thousand linear feet of such well. Upon the receipt of such
8 notice, the storage operator shall use due diligence to complete
9 the plugging or reconditioning of such well in accordance with
10 the requirements of this section and [of subsection (c)] of
11 section 206. If the said mine workings do not, within a period
12 of three years after said well has been plugged, come within two
13 thousand linear feet of said well, the coal operator shall
14 reimburse the storage operator for the cost of said plugging,
15 provided such well is still within the reservoir protective area
16 as of that time.

17 (j) When retreat mining approaches a point where within
18 ninety days it is expected that such retreat work will be at the
19 location of the pillar surrounding an active storage well, the
20 coal operator shall give written notice of such approach to the
21 storage operator and, by agreement, said parties shall determine
22 whether it is necessary or advisable to inactivate effectively
23 said well temporarily. The well shall not be reactivated until a
24 reasonable period has elapsed, such reasonable period to be
25 determined by said parties. In the event that said parties
26 cannot agree upon either of the foregoing matters, such question
27 shall be submitted to the [division] department for decision in
28 accordance with section 502. The number of wells required to be
29 temporarily inactivated during the retreat period shall not be
30 such as to materially affect the efficient operation of such

1 storage pool. This provision shall not preclude the temporary
2 inactivation of a particular well where the practical effect of
3 inactivating such well is to render the pool temporarily
4 inoperative.

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

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

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

22 (3) The coal operator affected may, at any time, file
23 objections with the [division] department in accordance with
24 subsection [(h)] (b.1) of section 501[. If any such objections
25 are filed by the coal operator, or if the division shall have
26 any objections] and, the [division] department shall fix a time
27 and place for a conference in accordance with section 502, not
28 more than ten days from the date of the notice to the storage
29 operator, at which conference the storage operator and the
30 person who has filed such objections shall attempt to agree,

1 subject to the approval of the [division] department, on the
2 questions involved. If such agreement cannot be reached at such
3 conference, the department may issue an appropriate order.
4 [division shall direct that a hearing be held in accordance with
5 section 502. At such hearing, the division shall determine and
6 set forth in an appropriate order, the conditions and
7 requirements which it shall deem necessary or advisable in order
8 to prevent gas from such storage reservoir from entering any
9 operating coal mine. The storage operator shall comply with such
10 conditions and requirements throughout the period of the testing
11 operations. In determining such conditions and requirements, the
12 division shall take into account the extent to which the matters
13 referred to in subsection (a) of this section have been
14 performed. If, in carrying out said order, either the storage
15 operator or the coal operator encounters or discovers conditions
16 which were not known to exist at the time of the hearing and
17 which materially affect said order or the ability of the storage
18 operator to comply with the order, either operator may apply for
19 a rehearing or modification of said order.]

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

27 * * *

28 (o) In addition to initial compliance with the other
29 provisions of this act and any lawful orders issued thereunder,
30 it shall be the duty, at all times, of the person owning or

1 operating any storage reservoir which is subject to the
2 provisions of this article, to keep all wells drilled into or
3 through the storage stratum in such condition and to operate the
4 [same] wells in such manner as to prevent the escape of gas
5 [into any coal mine therefrom] out of the storage reservoir and
6 its facilities and to operate and maintain such storage
7 reservoir and its facilities in such manner as prescribed by
8 regulation of the department and at such pressures as will
9 prevent gas from escaping from such reservoir or its facilities
10 [into any coal mine]: Provided, That this duty shall not be
11 construed to include the inability to prevent the escape of gas
12 where such escape results from an act of God or an act of any
13 person not under the control of the storage operator other than
14 in connection with any well which the storage operator has
15 failed to locate and to make known to the [division] department:
16 Provided, however, That, if any escape of gas [into a coal mine]
17 does result from an act of God or an act of any person not under
18 the control of the storage operator, the storage operator shall
19 be under the duty of taking such action thereafter as is
20 reasonably necessary to prevent further escape of gas [into the
21 coal mine] out of the storage reservoir and its facilities.

22 Section 21. Section 305 of this act is amended to read:

23 Section 305. Inspection of Facilities and Records, Reliance
24 on Maps, Burden of Proof.--(a) In determining whether a
25 particular coal mine or operating coal mine is or will be within
26 any distance material under this act from any storage reservoir,
27 the owner or operator of such coal mine and the storage operator
28 may rely on the most recent map of the storage reservoir or coal
29 mine filed by the other with the [division] department.

30 (b) [In any proceeding under this act where] Where the

1 accuracy of any map or data filed by any person pursuant to the
2 requirements of this act is in issue, the person filing the same
3 shall, at the request of [any] the objecting party [to such
4 proceeding], be required to disclose the information and method
5 used in compiling such map and data and such information as is
6 available to such person that might affect the current validity
7 of such map or data. If any material question is raised [in such
8 proceeding] as to the accuracy of such map or data with respect
9 to any particular matter or matters contained therein, the
10 person filing such map or data shall then have the burden of
11 proving the accuracy of the map or data with respect to such
12 matter or matters.

13 (c) The person operating any storage reservoir affected by
14 the terms of this act shall, at all reasonable times, be
15 permitted to inspect the applicable records and facilities of
16 any coal mine overlying such storage reservoir or the reservoir
17 protective area and the person operating any such coal mine
18 affected by the terms of this act shall, similarly at all
19 reasonable times, be permitted to inspect the applicable records
20 and facilities of any such storage reservoir underlying any such
21 coal mine. In the event that either such storage operator or
22 coal operator shall refuse to permit any such inspection of
23 records or facilities, the [division shall] department may, on
24 its own motion or on application of the party seeking the
25 inspection after reasonable written notice [and a hearing
26 thereon if requested by either of the parties affected,] make an
27 order providing for such inspection.

28 Section 22. Subsections (a), (b), (c), (d), (e) and (f) of
29 section 501 of the act are repealed.

30 Section 23. Subsections (g) and (h) of section 501 of the

1 act are amended to read:

2 Section 501. Oil and Gas Division.--* * *

3 [(g)] (a.1) The [division] department shall have authority
4 to make any inspections and investigations of records and
5 facilities, which it shall deem necessary or desirable to
6 perform its functions under this act.

7 [(h)] (b.1) Where, in any section of this act, provision is
8 made for the filing of objections, such objections shall be
9 filed, in writing, with the [division] department by the person
10 entitled to file the same or by the [division] department and
11 shall state as definitely as is reasonably possible the reasons
12 for such objections. The person filing such objections shall
13 send a copy thereof, by [registered] certified mail, to the
14 person or persons affected thereby.

15 Section 24. Subsections (b) and (c) of section 502 of the
16 act are repealed.

17 Section 25. Subsections (a), (d), (e), (f), (g), (h) and (n)
18 of section 502 of the act, subsection (e) repealed in part April
19 28, 1978 (P.L.202, No.53), are amended to read:

20 Section 502. Conferences[, Hearings] and Appeals.--(a) The
21 [division] department or any person having a direct interest in
22 the subject matter of this act may, at any time, request that a
23 conference be held for the purpose of discussing and endeavoring
24 to resolve by mutual agreement any matter arising under the
25 provisions of this act. Prompt notice of any such conference
26 shall be given by the [division] department to all such
27 interested parties. At such conference a representative of the
28 [division] department shall be in attendance and the [division]
29 department may make such recommendations as it deems
30 appropriate. Any agreement reached at such conference shall be

1 consistent with the requirements of this act and, if approved by
2 such representative of the [division] department, it shall be
3 reduced to writing and shall be effective, unless reviewed and
4 rejected by the [division] department within ten days after the
5 close of the conference. The record of any such agreement
6 approved by the [division] department shall be kept on file by
7 the [division] department with copies furnished to the parties.
8 [Such a conference shall be held in all cases prior to
9 conducting any hearing under this section.] Scheduling of a
10 conference shall not affect the authority of the department to
11 issue an appropriate order to compel compliance with this act.

12 * * *

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

23 (e) The [division] department shall have the power in any
24 part of the Commonwealth to subpoena witnesses, to administer
25 oaths, to examine witnesses or to take such testimony or compel
26 the production of such books, records, maps, plats, papers,
27 documents and other writings as it may deem necessary or proper
28 in and pertinent to any proceedings or investigation [or
29 hearing] held or had by it. In case of refusal to obey any
30 subpoena served upon any person, any court shall, on application

1 of the [deputy secretary or his authorized representative,]
2 department have power to enforce such subpoenas in contempt
3 proceedings. The fees for serving a subpoena shall be the same
4 as those paid sheriffs for similar services.

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

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

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

29 * * *

30 (n) Whenever a coal or [gas] well operator is to be given

1 notice by the [division] department of any proceeding to be held
2 under this section, the [division] department shall also send
3 simultaneously a copy of such notice to the collective
4 bargaining representative of the employees of the coal operator.

5 Section 26. Subsections (a) and (c) of section 503 of the
6 act are amended to read:

7 Section 503. Enforcement.--(a) [The division or any person
8 having a direct interest in the subject matter of this act may
9 complain, in writing, setting forth that any person is violating
10 or is about to violate any provisions of this act or has done or
11 is about to do any act, matter or thing therein prohibited or
12 declared to be unlawful or has failed, omitted, neglected, or
13 refused or is about to fail, omit, neglect or refuse to perform
14 any duty enjoined upon him by this act.

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

21 If any person complained against, within the time specified
22 by the division, shall satisfy the complaint, the division by
23 order shall dismiss the complaint. If such person shall not
24 satisfy the complaint within the time specified and it shall
25 appear to the division from a consideration of the complaint and
26 answer or otherwise that reasonable ground exists for
27 investigating such complaint, it shall be the duty of the
28 division to direct that a hearing be held in accordance with
29 section 502. Following such hearing, the division shall, if it
30 finds that the matter alleged in the complaint is not in

1 violation of this act, dismiss the complaint but if the division
2 should find that the complaint is justified it shall by
3 appropriate order compel compliance with the act.]

4 The department may compel compliance with this act or
5 regulations promulgated hereunder, by the issuance of a
6 department order which shall be appealable to the Environmental
7 Hearing Board as provided by law.

8 * * *

9 (c) The [Attorney General] department, in addition to the
10 exercise of the powers and duties now conferred upon [him] it by
11 law, [shall] may also, [upon request of the division or upon his
12 own motion,] proceed in the name of the Commonwealth by
13 mandamus, injunction or quo warranto or other appropriate
14 remedy, at law or in equity, to restrain violations of the
15 provisions of this act or of orders of the [division] department
16 or the judgments, orders or decrees of any court or to enforce
17 obedience therewith.

18 * * *

19 Section 27. Section 504 of the act, amended July 31, 1968
20 (P.L.881, No.265), is amended to read:

21 Section 504. Penalties.--(a) Any person who shall violate
22 any provisions of this act or any order of the department issued
23 pursuant to the provisions of the act, shall be deemed guilty of
24 a summary offense and, upon conviction thereof, shall be
25 sentenced to pay a fine of not more than three hundred dollars
26 (\$300) or undergo imprisonment of not more than ninety days, or
27 both. Each day's continuance of such violation shall be a
28 separate and distinct offense.

29 (b) Any person who shall wilfully violate any provisions of
30 this act or any order of the [Oil and Gas Division,] department

1 issued pursuant to the provisions of this act, shall be deemed
2 guilty of a misdemeanor and, upon conviction thereof, shall be
3 sentenced to pay a fine of not more than [five hundred dollars
4 (\$500)] five thousand dollars (\$5,000), or undergo imprisonment
5 of not more than one year, or both. Each day's continuance of
6 such violation shall be a separate and distinct offense.

7 Section 28. The act is amended by adding sections to read:

8 Section 504.1 Civil Penalties.--In addition to proceeding
9 under any other remedy available at law or in equity for a
10 violation of a provision of this act or a rule or regulation of
11 the department or any order of the department, the Environmental
12 Hearing Board, after hearing, may assess a civil penalty upon a
13 person for such violation. Such a penalty may be assessed
14 whether or not the violation was wilful. The civil penalty so
15 assessed shall not exceed twenty-five thousand dollars
16 (\$25,000), plus one thousand dollars (\$1,000) for each day of
17 continued violation. In determining the amount of the civil
18 penalty the board shall consider the wilfulness of the
19 violation, damage or injury to the waters of the Commonwealth or
20 their uses, endangerment of the safety of others, costs of
21 remedying the harm, and other relevant factors. It shall be
22 payable to the Commonwealth and shall be collectible in any
23 manner provided at law for the collection of debts. If any
24 person liable to pay any such penalty neglects or refuses to pay
25 the same after demand, the amount, together with interest and
26 any costs that may accrue, shall be a lien in favor of the
27 Commonwealth upon the property, both real and personal, of such
28 person but only after same has been entered and docketed of
29 record by the prothonotary of the county where such is situated.
30 The board may, at any time, transmit to the prothonotaries of

1 the respective counties certified copies of all such liens, and
2 it shall be the duty of each prothonotary to enter and docket
3 the same of record in his office, and to index the same as
4 judgements are indexed, without requiring the payment of costs
5 as a condition precedent to the entry thereof.

6 Section 504.2 Third Party Liability.--Where a person other
7 than the well operator as herein defined renders a service or
8 product to a well or well site that person shall be liable for
9 violations of this act arising out of and caused by his actions
10 at the well or well site.

11 Section 506. Well Plugging Restricted Revenue Account.--(a)
12 All fines, civil penalties, permit and registration fees
13 collected under this act shall be paid into the Treasury of the
14 Commonwealth into a restricted revenue account to be known as
15 the "Well Plugging Restricted Revenue Account," hereby
16 established, which shall be administered by the department for
17 the plugging and sealing of abandoned wells and to cover the
18 purposes of administering this act. All the moneys from time to
19 time paid into the Well Plugging Restricted Revenue Account are
20 specifically appropriated upon annual approval by the Governor
21 to the Department of Environmental Resources to carry out the
22 purposes of this act.

23 (b) In consideration of the establishment in section 205.1
24 of bond amounts which may not be adequate to fully indemnify the
25 Commonwealth for the cost of plugging abandoned wells, there
26 shall be established upon January 1 of the year following the
27 effective date of this act, a minimum two per cent gross
28 production surcharge on all oil and gas produced in Pennsylvania
29 annually. The revenues shall be paid into the Treasury into the
30 Well Plugging, Restricted Revenue Account, and shall be expended

1 by the department to plug abandoned wells which threaten
2 potential pollution of the waters of the Commonwealth and to
3 carry out the provisions of this act.

4 Section 29. Subsections (a) and (d) of section 601 of the
5 act, added March 3, 1970 (P.L.81, No.38), are amended to read:

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

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

23 The map provided for herein shall be prepared by a competent
24 engineer or competent geologist. It shall show the stratum or
25 strata in which the existing or proposed storage reservoir is or
26 is to be located, the geographic location of the outside
27 boundaries of the said storage reservoir, the location of all
28 known oil or gas wells which have been drilled into or through
29 the storage stratum within the reservoir or within three
30 thousand linear feet thereof, indicating which of these wells

1 have been or are to be cleaned out and plugged or reconditioned
2 for storage and also indicating the proposed location of all
3 additional wells which are to be drilled within the storage
4 reservoir or within three thousand linear feet thereof.

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

30 * * *

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

12 Section 30. Subsections (a), (b), (c), (d) and (f) of
13 section 602 of the act, added March 3, 1970 (P.L.81, No.38), are
14 amended to read:

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

21 (1) Use every known method which is reasonable under the
22 circumstances for discovering and locating all wells which have
23 or may have been drilled into or through the storage reservoir.

24 (2) Plug or recondition in the manner provided in [Article
25 II of] regulations of the department pursuant to this act all
26 known wells (except to the extent otherwise provided in
27 subsections (b) and (c) of this section) drilled into or through
28 the storage reservoir.

29 (b) In order to meet the requirements of subsection (a) of
30 this section, wells which are to be plugged shall be plugged in

1 the manner specified in section 206. When a well located within
2 the storage reservoir area has been plugged prior to the
3 enactment of this act and on the basis of the data, information
4 and other evidence submitted to the [division] department it is
5 determined that (i) such plugging was done in the manner
6 required in section 206 or in a manner approved as an
7 alternative method in accordance with section 207, and (ii) said
8 plugging is still sufficiently effective to meet the
9 requirements of this act, the obligations imposed by subsection
10 (a) of this section as to plugging said well shall be
11 considered fully satisfied.

12 (c) In order to meet the requirements of subsection (a) of
13 this section, wells which are to be reconditioned shall, unless
14 the department by regulation specifies a different procedure, be
15 cleaned out from the surface through the storage horizon and the
16 producing casing and such other casing strings which are
17 determined not to be in good physical condition shall be
18 replaced with new casing using the same procedure as is
19 applicable to drilling a new well as provided for in this act.
20 In the case of wells to be used for gas storage, the annular
21 space between each string of casing and the annular space behind
22 the largest diameter casing to the extent possible, shall be
23 filled to the surface with cement or bentonitic mud or such
24 nonporous material as is approved by the division pursuant to
25 section 207. At least fifteen days prior to the time when a well
26 is to be reconditioned, the storage operator shall give notice
27 thereof to the [division] department, setting forth in such
28 notice the manner in which it is planned to recondition such
29 well and any pertinent data known to the storage operator which
30 will indicate the then existing condition of such well. In

1 addition, the storage operator shall give [such representative
2 of the division as the deputy secretary shall have designated]
3 the department at least seventy-two hours notice of the time
4 when such reconditioning is to begin. If no objections are
5 raised by the [division] department within ten days, the storage
6 operator may proceed with the reconditioning in accordance with
7 the plan as submitted. If any objections are made by the
8 [division] department, [the division shall] department may fix a
9 time and place for a conference in accordance with section 502
10 at which conference the storage operator and the [division]
11 department shall endeavor to agree upon a plan of reconditioning
12 which meets the requirements herein and which will satisfy such
13 objections. If no plan is approved at such conference, the
14 [division shall direct that a hearing be held in accordance with
15 section 502 and after such hearing shall] department may, by an
16 appropriate order, determine whether the plan as submitted meets
17 the requirements set forth herein or what changes, if any,
18 should be made to meet such requirements. If, in reconditioning
19 a well in accordance with said plan, physical conditions are
20 encountered which justify or necessitate a change in said plan,
21 the storage operator may request that the plan be changed. If
22 the request is denied, the [division] department shall arrange
23 for a conference [or hearing] in accordance with section 502 to
24 determine the matter in the same manner as set forth herein in
25 connection with original objections to said plan. Applications
26 may be made to the [division] department in the manner
27 prescribed in section 207 for approval of an alternative method
28 of reconditioning a well. When a well located within the storage
29 reservoir has been reconditioned prior to the enactment of this
30 article, or was so drilled and equipped previously and on the

1 basis of the data, information and other evidence submitted to
2 the [division] department, it is determined that:

3 (1) Such reconditioning or previous drilling and equipping
4 was done in the manner required in this subsection or in
5 regulations promulgated hereunder, or in a manner approved as an
6 alternative method in accordance with section 207.

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

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

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

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

26 (3) If the [division] department shall have any objections,
27 the [division] department shall fix a time and place for a
28 conference in accordance with section 502, not more than ten
29 days from the date of notice to the storage operator, at which
30 conference the storage operator and the [division] department

1 shall attempt to agree, on the questions involved. If such
2 agreement cannot be reached at such conference, the [division
3 shall direct that a hearing be held in accordance with section
4 502. At such hearing, the division shall determine and set forth
5 in] department may issue an appropriate order. [the conditions
6 and requirements which it shall deem necessary or advisable in
7 order to prevent gas from escaping from such storage reservoir.
8 The storage operator shall comply with such conditions and
9 requirements throughout the period of the testing operations. In
10 determining such conditions and requirements, the division shall
11 take into account the extent to which the matters referred to in
12 subsection (a) of this section have been performed. If, in
13 carrying out said order the storage operator encounters or
14 discovers conditions which were not known to exist at the time
15 of the hearing and which materially affect said order or the
16 ability of the storage operator to comply with the order, the
17 operator may apply for a rehearing or modification of said
18 order.]

19 * * *

20 (f) In addition to initial compliance with the other
21 provisions of this act and any lawful orders issued thereunder,
22 it shall be the duty, at all times, of the person owning or
23 operating any storage reservoir which is subject to the
24 provisions of this article, to keep all wells drilled into or
25 through the storage reservoir in such condition and to operate
26 the same in such manner as to prevent the escape of gas
27 therefrom and to operate and maintain such storage reservoir and
28 its facilities in such manner as prescribed by regulation of the
29 department and at such pressures as will prevent gas from
30 escaping from such reservoir or its facilities but in no case

1 shall such pressure exceed the highest rock pressure found to
2 have existed during the production history of the reservoir, or
3 such other higher pressure as the [division] department may
4 approve after conference [or hearing] under section 502 based
5 upon geological and production knowledge of the reservoir, its
6 character, permeability distribution and operating experience:
7 Provided, That this duty shall not be construed to include the
8 inability to prevent the escape of gas where such escape results
9 from an act of God or an act of any person not under the control
10 of the storage operator other than in connection with any well
11 which the storage operator has failed to locate and to make
12 known to the [division] department: Provided, however, That, if
13 any escape of gas does result from an act of God or an act of
14 any person not under the control of the storage operator, the
15 storage operator shall be under the duty of taking such action
16 thereafter as is reasonably necessary to prevent further escape
17 of gas.

18 Section 31. The act is amended by adding sections to read:

19 Section 701. Local Ordinances.--Except with respect to
20 ordinances adopted pursuant to the act of July 31, 1968
21 (P.L.805, No.247), known as the "Pennsylvania Municipalities
22 Planning Code," and the act of October 4, 1978 (P.L.851,
23 No.166), known as the "Flood Plain Management Act," all local
24 ordinances and enactments purporting to regulate oil and gas
25 well drilling are hereby superseded. The Commonwealth, by this
26 enactment, hereby preempts the regulation of oil and gas wells
27 as herein defined.

28 Section 702. Legislative Oversight.--At least thirty days
29 prior to consideration by the Environmental Quality Board of any
30 revised regulations or any new regulations under this act, the

1 department shall submit such regulation to the Senate
2 Environmental Resources and Energy and House of Representatives
3 Mines and Energy Management Committees of the General Assembly
4 for their review and comment.

5 Section 703. Effect on Prior Department Authority.--The
6 provisions of this act shall not be construed to affect, limit
7 or impair any right or authority of the department under the act
8 of June 22, 1937 (P.L.1987, No.394), known as "The Clean Streams
9 Law," the act of January 8, 1960 (1959 P.L.2119, No.787), known
10 as the "Air Pollution Control Act," the act of November 26, 1978
11 (P.L.1375, No.325), known as the "Dam Safety and Encroachments
12 Act" and the act of July 7, 1980 (P.L.380, No.97), known as the
13 "Solid Waste Management Act."

14 Section 32. This act shall take effect in 60 days.