

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 165

Session of
1983

INTRODUCED BY LLOYD, ITKIN, GRUITZA, COY, LUCYK, TIGUE,
LETTERMAN, MRKONIC, TELEK, MORRIS, KUKOVICH, MERRY,
D. R. WRIGHT AND MCINTYRE, FEBRUARY 8, 1983

REFERRED TO COMMITTEE ON CONSERVATION, FEBRUARY 8, 1983

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," providing for accounting of
23 oil or gas production.

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

26 Section 1. The act of November 30, 1955 (P.L.756, No.225),
27 known as the Gas Operations Well-Drilling Petroleum and Coal
28 Mining Act, is amended by adding a section to read:

1 Section 201.1. Responsibility of Well Operator to Provide
2 Accurate Accounting.--(a) Upon the written request of a person
3 who has leased, sold, or otherwise conveyed to a well operator
4 the right to remove or recover oil or gas from real property,
5 the well operator shall install, or cause to be installed, a
6 meter or meters to measure the production of oil or gas from
7 that property. Any such meter installed on or after the
8 effective date of this act shall be of a type and design which
9 has been certified by the department as likely to measure
10 production within commercially reasonable limits of accuracy.

11 (b) A well operator shall provide each person who has
12 leased, sold or otherwise conveyed to the well operator the
13 right to remove or recover oil or gas from real property with a
14 statement which shall accompany each payment to such person and
15 which shall specify on a per well basis the production from that
16 property for the period covered by the payment.

17 (c) Upon the request of a person who has leased, sold or
18 otherwise conveyed to the well operator the right to remove or
19 recover oil or gas from real property, the well operator shall
20 provide an explanation of the method used to measure the
21 production from each well and, to the maximum possible extent,
22 shall instruct such person to read any meter used for the
23 purpose of measuring the production from that well.

24 (d) Upon the written request of a person who has leased,
25 sold or otherwise conveyed to the well operator the right to
26 remove or recover oil or gas from real property, and in the
27 presence of the well operator, if he so desires, the department
28 shall inspect for accuracy any meter used by the well operator
29 to measure the production from the well in question. The well
30 operator shall replace such meter within a reasonable time if

1 the department determines that the meter is not accurate within
2 commercially reasonable limits of accuracy. An inspection fee
3 shall be charged in accordance with a fee schedule established
4 by department regulations to the person requesting the
5 inspection, except that such fee shall be charged to the well
6 operator if the department determines that the meter is not
7 accurate within commercially reasonable limits.

8 (e) The department shall promulgate such rules and
9 regulations as are necessary to carry out the provisions of this
10 section.

11 Section 2. This act shall take effect in 60 days.