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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL**  
**No. 402**      Session of  
1983

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INTRODUCED BY WILT, LINCOLN, KUSSE, RHOADES, ROMANELLI, EARLY,  
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STOUT, PECORA AND KELLEY, FEBRUARY 24, 1983

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AS REPORTED FROM COMMITTEE ON CONSERVATION, HOUSE OF  
REPRESENTATIVES, AS AMENDED, JUNE 12, 1984

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AN ACT

1 Relating to the development of oil and gas and coal; imposing  
2 duties and powers on the Department of Environmental  
3 Resources; imposing notification requirements to protect  
4 landowners; and providing for definitions, for various  
5 requirements to regulate the drilling and operation of oil  
6 and gas wells, for gas storage reservoirs, for various  
7 reporting requirements, including certain requirements  
8 concerning the operation of coal mines, for well permits, for  
9 distance requirements, for well casing requirements, for  
10 safety device requirements, for storage reservoir  
11 obligations, for well bonding requirements, for a Well  
12 Plugging Restricted Revenue Account to enforce oil and gas  
13 well plugging requirements, for the creation of an Oil and  
14 Gas Technical Advisory Board, for oil and gas well  
15 inspections, for enforcement and for penalties.

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

23 CHAPTER 1  
24 PRELIMINARY PROVISIONS

25 Section 101. Short title.

26 This act shall be known and may be cited as the Oil and Gas  
27 Act.

28 Section 102. Declaration of purpose.

29 The purposes of this act are to:

30 (1) Permit the optimal development of the oil and gas

resources of Pennsylvania consistent with the protection of the health, safety, environment and property of the citizens of the Commonwealth.

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

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

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

#### Section 103. Definitions.

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

"Abandoned well." Any well that has not been used to produce, extract or inject any gas, petroleum or other liquid within the preceding 12 months, or any well for which the equipment necessary for production, extraction or injection has been removed, or any well, considered dry, not equipped for production within 60 days after drilling, redrilling or deepening, except that it shall not include any well granted inactive status.

"Alteration." Any operation which changes the physical characteristics of the well bore, including stimulation or removing, repairing or changing the casing: Provided, however, That, for the purpose of this act only, the term shall not include:

(1) repairing or replacing of casing with casing of the same diameter and length in noncoal areas;

1           (2) repairing or replacing of production casing with  
2 casing of the same or smaller diameter and length in noncoal  
3 areas;

4           (3) nor shall it include stimulation as a normal initial  
5 completion procedure NOR STIMULATION USED TO ENHANCE  
6 ADDITIONAL OIL OR GAS ZONES WITHIN THE SAME WELL BORE. <—

7 "Board." The Oil and Gas Technical Advisory Board.

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

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

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

14 "Cement" or "cement grout." Hydraulic cement properly mixed  
15 with water only or any mixture of materials adequate for bonding  
16 or sealing of well bores as approved by regulations promulgated  
17 hereunder.

18 "Coal mine." Those operations in a coal seam which include  
19 the excavated and abandoned portions as well as the places  
20 actually being worked, also all underground workings and shafts,  
21 slopes, tunnels and other ways and openings and all such shafts,  
22 slopes, tunnels and other openings in the course of being sunk  
23 or driven, together with all roads and facilities connected with  
24 them below the surface.

25 "Coal operator." Any person as herein defined who proposes  
26 to or does operate a coal mine either as owner or lessee.

27 "Completion of a well." The date after treatment, if any,  
28 that the well is properly equipped for production of oil or gas,  
29 or if the well is dry, the date the well is abandoned.

30 "Department." The Department of Environmental Resources.

1 "Drilling." The drilling or redrilling of any well or the  
2 deepening of any existing well.

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

6 "Gas." Any fluid, either combustible or noncombustible,  
7 which is produced in a natural state from the earth and which  
8 maintains a gaseous or rarified state at standard temperature of  
9 60 degrees Fahrenheit and pressure 14.7 PSIA, any manufactured  
10 gas, any by-product gas or any mixture of gases.

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

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

17 "Oil" or "petroleum." Hydrocarbons in liquid form at  
18 standard temperature of 60 degrees Fahrenheit and pressure 14.7  
19 PSIA.

20 "Operating coal mine."

21 (1) An underground coal mine which is producing coal or  
22 has been in production of coal at any time during the 12  
23 months immediately preceding the date its status is put in  
24 question under this act and any worked-out or abandoned coal  
25 mine connected underground with or contiguous to such  
26 operating coal mine as herein defined.

27 (2) Any underground coal mine to be established or  
28 reestablished as an operating coal mine in the future  
29 pursuant to this act.

30 "Operating well." Any well not plugged and abandoned.

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

5 "Owner." Any person who owns, manages, leases, controls or  
6 possesses any well or coal property, except that for purposes of  
7 section 210, the term "owner" shall not include those owners or  
8 possessors of surface real property on which the abandoned well  
9 is located who did not participate or incur costs in the  
10 drilling or extraction operation of the abandoned well and had  
11 no right of control over the drilling or extraction operation of  
12 the abandoned well.

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

15 "Plat." A map, drawing or print accurately drawn to scale  
16 showing the proposed or existing location of a well or wells as  
17 herein defined.

18 "Person." Any individual, association, partnership,  
19 corporation, political subdivision or agency of the State or  
20 Federal Government or other legal entity.

21 "Reservoir protective area." All of that area outside of and  
22 surrounding the storage reservoir boundary but within 2,000  
23 linear feet thereof, unless an alternate area shall have been  
24 designated by the department, deemed reasonably necessary to  
25 afford protection to the reservoir, pursuant to a conference  
26 held in accordance with section 501.

27 "Retreat mining." The removal of such coal pillars, ribs and  
28 stumps as remain after the development mining has been completed  
29 in that section of a coal mine.

30 "Storage operator." Any person who proposes to or does

1 operate a storage reservoir either as owner or lessee.

2 "Storage reservoir." That portion of any subsurface  
3 geological stratum or strata into which gas is or may be  
4 injected for the purposes of storage or of testing the  
5 suitability of such strata or stratum for storage.

6 "Well." A bore hole drilled or being drilled for the purpose  
7 of or to be used for producing, extracting or injecting any gas,  
8 petroleum or other liquid related to oil or gas production or  
9 storage, including brine disposal, but excluding bore holes  
10 drilled to produce potable water to be used as such.

11 "Well operator" or "operator." Any person who locates,  
12 drills, operates, plugs or reconditions any well with the  
13 purpose of production therefrom. In cases where a well is used  
14 in connection with the underground storage of gas, the term also  
15 means a "storage operator."

16 "Wetland." Those areas ~~of greater than one acre in size~~ AS <—  
17 IDENTIFIED BY THE DEPARTMENT ON THE MOST CURRENT SEVEN AND ONE-  
18 HALF MINUTE TOPOGRAPHIC QUADRANGLE MAP OF THE UNITED STATES  
19 GEOLOGICAL SURVEY that are inundated or saturated by surface or  
20 groundwater at a frequency and duration sufficient to support  
21 and that under normal circumstances do support a prevalence of  
22 vegetation typically adapted for life in saturated soil  
23 conditions, including swamps, marshes, bogs and similar areas.

24 "Workable coal seams."

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

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

30 CHAPTER 2



1 GENERAL REQUIREMENTS

2 Section 201. Well permits.

3 (a) No person shall drill a well or alter any existing well,  
4 except for alterations which satisfy the requirements of  
5 subsection (k), without having first obtained a well permit  
6 pursuant to subsections (b), (c), (d) and (e). Any person  
7 operating an unpermitted well drilled prior to the effective  
8 date of this act shall have one year from that date to apply for  
9 a permit pursuant to subsection (j), EXCEPT THAT FOR WELLS <—  
10 DRILLED PRIOR TO 1956, WHICH ARE NOT PRODUCING AT A SIGNIFICANT  
11 RATE DETERMINED BY THE DEPARTMENT, THERE SHALL BE NO PERMIT FEE  
12 CHARGED.

13 (b) The permit application shall be accompanied by a plat  
14 prepared by and thereto affixed with the seal of a competent  
15 individual licensed and registered as a professional engineer or  
16 professional land surveyor pursuant to the provisions of the act  
17 of May 23, 1945 (P.L.913, No.367), known as the Professional  
18 Engineers Registration Law, on forms to be furnished by the  
19 department, showing the political subdivision and county in  
20 which the tract of land upon which the well to be drilled is  
21 located, the name of the surface landowner of record and lessor,  
22 the name of the owner of record or operator of all known  
23 underlying workable coal seams, if any, the acreage in the tract  
24 to be drilled, the proposed location of the well determined by  
25 survey, the courses and distances of such location from two or  
26 more permanent identifiable points or landmarks on said tract  
27 boundary corners, the proposed angle and direction of such well,  
28 if the well is to be deviated substantially from a vertical  
29 course, the number or other identification to be given the well,  
30 the workable coal seams, if any, underlying the tract of land

1 upon which the well is to be drilled or altered which are to be  
2 cased off in accordance with section 207 and such information  
3 needed by the department to administer this act. The ~~department~~ <—  
4 APPLICANT shall forward, by certified mail, A NOTICE OF <—  
5 APPLICATION AND a copy of said plat to the surface landowner, <—  
6 ADJACENT PROPERTY OWNERS, MUNICIPALITY, CONSERVATION DISTRICT  
7 and the owner and lessee, if any, of such coal and every coal  
8 operator as they are identified on the well permit application  
9 within ten days of ~~receipt~~ SUBMITTAL of the well permit <—  
10 application. THE APPLICANT SHALL PUBLISH SUCH NOTICE IN A <—  
11 NEWSPAPER OF GENERAL CIRCULATION IN THE AREA, WHERE THE WELL IS  
12 TO BE LOCATED, ONCE A WEEK FOR TWO CONSECUTIVE WEEKS COMMENCING  
13 FROM THE TIME THE PERMIT APPLICATION IS SUBMITTED TO THE  
14 DEPARTMENT. With respect to surface owners AND ADJACENT PROPERTY <—  
15 OWNERS, notification shall be accomplished under this section by  
16 sending notice to the persons to whom the tax notices for said  
17 surface property are sent, as indicated in the assessment books  
18 in the county in which the property is located. If the applicant  
19 submits to the department written approval of the proposed well  
20 location by the surface landowner and the coal operator, lessee  
21 or owner, if any, of the coal underlying the proposed well  
22 location and no objections are raised by the department within  
23 15 days of filing or if no such approval has been submitted and  
24 no objections are made to such proposed well location within 15  
25 days from receipt of such notice by the surface landowner and  
26 the coal operator, lessee or owner, if any, or by the  
27 department, the same shall be filed and become a permanent  
28 record of such location, subject to inspection at any time by  
29 any interested person.

30 (c) If the applicant for a well permit is a corporation,

1 partnership or a person nonresident of the Commonwealth, then  
2 there shall be designated the name and address of an agent for  
3 such operator who shall be the attorney in fact for the operator  
4 and who shall be a resident of the Commonwealth upon whom  
5 notices, orders or other communications issued pursuant to this  
6 act or the regulations adopted hereunder may be served and upon  
7 whom process may be served. Every well operator required to  
8 designate an agent under this section shall within five days  
9 after the termination of such designation notify the department  
10 of such termination and designate a new agent.

11 (d) Every application for a well permit shall be accompanied  
12 by a permit fee established by regulation of the department  
13 which bears a reasonable relationship to the cost of  
14 administering this act: Provided, however, That the permit fee  
15 shall be ~~\$75~~ \$100 for two years immediately following the <—  
16 effective date of this act.

17 (e) The department shall issue a permit within 45 days of  
18 the submission of a permit application unless the department  
19 denies the permit application for one or more of the five  
20 reasons set forth below: Provided, however, That the department  
21 shall have the right to extend such period for 15 days for cause  
22 shown upon notification to the applicant of the reasons for that  
23 extension. The department may impose such permit terms and  
24 conditions as are necessary to assure compliance with this act  
25 and other laws administered by the department. The department  
26 shall have the authority to deny a permit to any person for the  
27 following reasons:

28 (1) the well site for which a permit is requested is in  
29 violation of any of the provisions of this act, or if  
30 issuance of such permit would result in a violation of this

1 act or any other applicable environmental statute, rule or  
2 regulation;

3 (2) the permit application is incomplete;

4 (3) unresolved objections to the well location by coal  
5 mine owner or operator remain;

6 (4) the requirements of section 215 have not been met;

7 or

8 (5) the applicant, with respect to any other well or  
9 wells which the applicant operates, is in continuing  
10 violation of this act or any other applicable statute

11 administered by the department. ~~which conduct satisfies the~~ <—  
12 ~~elements of a misdemeanor offense set forth in the applicable~~  
13 ~~statute, based on substantial evidence. The right of the~~  
14 ~~department to deny a permit under this paragraph shall not be~~  
15 ~~effective until a final administrative determination has been~~  
16 ~~made of any of these violations and no appeal is pending in~~  
17 ~~which a stay has been granted.~~

18 (f) Upon issuance of a permit, the well operator may proceed  
19 with the drilling of the well at the exact location shown on the  
20 plat after providing the department, THE PENNSYLVANIA FISH <—  
21 COMMISSION, the surface landowner and the local political  
22 subdivision in which the well is to be located, 24 hours' notice  
23 of the date that drilling will commence. In noncoal areas where  
24 more than one well is to be drilled as part of the same  
25 development project, only the first well of the project need be  
26 located by survey. The remaining wells of the project shall be  
27 shown on the plat in a manner prescribed by regulation. Prior to  
28 drilling each of the additional project wells, the well operator  
29 shall notify the department of his intention and provide  
30 reasonable notice of the date drilling will commence. Whenever,

1 before or during the drilling of any well which is not within  
2 the outside boundaries of an operating coal mine, the well  
3 operator shall encounter conditions of such a nature as to  
4 render drilling of the bore hole or portions thereof more  
5 hazardous than usual, or otherwise impossible, then the well  
6 operator shall have the right, upon verbal notice to the  
7 department, to immediately plug all or portions of the bore  
8 hole, if drilling has occurred, and to commence a new bore hole  
9 not more than 50 feet distant if the location of the new bore  
10 hole does not violate section 205 and if, for wells subject to  
11 the act of July 25, 1961 (P.L.825, No.359), known as the Oil and  
12 Gas Conservation Law, the new location complies with any  
13 existing law, regulation or spacing order and if the new bore  
14 hole is a minimum of 330 feet distant from the nearest lease  
15 boundary. Within ten days of commencement of the new bore hole,  
16 the well operator shall file with the department a written  
17 notice of intention to plug, a well record, a completion report,  
18 a plugging certificate for the original bore hole, and an  
19 amended plat for the new bore hole. The well operator shall  
20 forward a copy of the amended plat to the surface landowner  
21 identified on the well permit application within ten days of  
22 commencement of the new well bore.

23 (g) The well permit number and operator's name, address and  
24 telephone number shall be posted at the drilling site, in a  
25 conspicuous manner, prior to commencement of drilling.

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

29 (i) Well permits issued for drilling of wells covered by  
30 this act shall expire one year after issuance unless operations

1 for drilling the well are commenced within such period and  
2 pursued with due diligence or unless the permit is renewed in  
3 accordance with regulations of the department. If drilling is  
4 commenced during the one-year period, the well permit shall  
5 remain in force until the well is plugged in accordance with  
6 section 210 or the permit is revoked. Any drilling permit issued  
7 prior to the effective date of this act for a well which is an  
8 operating well on said date shall remain in force as a well  
9 permit until the well is plugged in accordance with section 210.  
10 Nothing in this subsection shall be construed to rescind the  
11 provisions pertaining to drilling permits contained in the Oil  
12 and Gas Conservation Law.

13 (j) Any operating wells drilled prior to the effective date  
14 of this act which have not received a drilling permit from the  
15 department shall be entitled to receive a well permit from the  
16 department upon the submission of a well permit application, on  
17 forms or in a manner prescribed by the department, which shall  
18 contain the following information:

19 (1) the name and address of the well operator and, if  
20 the well operator is a corporation, partnership or a person  
21 nonresident of the Commonwealth, there shall be designated on  
22 the well permit application the name and address on an agent  
23 for such operator upon whom notices, orders, process or other  
24 communications issued pursuant to this act may be served;

25 (2) the well name of such well and the location of the  
26 well indicated by a point on a 7 1/2 minute United States  
27 Geological Survey topographic map or any other location  
28 description sufficient to enable the department to locate the  
29 well on the ground;

30 (3) the approximate date of the drilling, completion of

1 said well and the approximate depth of said well, the  
2 producing horizons, well construction information and  
3 driller's logs, if available;

4 (4) an indemnity bond satisfying the requirements of  
5 section 215; and

6 (5) a permit fee of \$25 per well, except that the  
7 department may establish a blanket permit fee where multiple  
8 well permit applications are submitted simultaneously for  
9 wells that are part of the same development project. The  
10 blanket permit fee shall bear a reasonable relationship to  
11 the administrative costs associated with processing such  
12 multiple well permit applications. THERE SHALL BE NO PERMIT <—  
13 FEE PLACED ON WELLS DRILLED PRIOR TO 1956, WHICH ARE NOT  
14 PRODUCING AT A SIGNIFICANT RATE DETERMINED BY THE DEPARTMENT.

15 The department may extend the one-year time period provided in  
16 subsection (a) for compliance with the permitting requirements  
17 of this act for previously unpermitted wells for good cause  
18 shown. However, such extension shall not exceed a period ending  
19 two years from the effective date of this act. The department  
20 may adopt and promulgate guidelines designed to insure a fair  
21 implementation of this subsection which recognizes the practical  
22 difficulties of locating unpermitted wells and complying with  
23 the reporting requirements of this act.

24 (k) The Environmental Quality Board may establish by  
25 regulation certain categories of alterations of permitted wells  
26 for which the permitting requirements of this section shall not  
27 apply. The well operator or owner who proposes to conduct such  
28 alteration activity shall first obtain a permit modification  
29 from the department. Requirements for permit modification shall  
30 be as the Environmental Quality Board shall require by

1 regulation.

2 (l) No permit issued pursuant to this section may be  
3 transferred without prior approval of the department. Requests  
4 for approval of such transfer shall be made on forms or in a  
5 manner prescribed by the department. The department shall only  
6 have the authority to deny such request for the reasons set  
7 forth in subsection (e)(5).

8 (m) The department may establish a procedure for accelerated  
9 approval of well permit applications in hardship cases, as  
10 defined by regulation of the Environmental Quality Board,  
11 consistent with the requirements of this act.

12 Section 202. Permit objections.

13 (a) In case any well location referred to in section 201(b)  
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, in  
18 accordance with section 501, based on the assertion that the  
19 well location violates section 205 or that information in the  
20 application is untrue in any material respect, within 15 days of  
21 the receipt by the surface owner of the plat provided for in  
22 section 201(b). If no such objections are filed or none are  
23 raised by the department within 15 days after receipt of the  
24 plat by the surface landowner, or if written approval by the  
25 surface landowner is filed with the department and no objections  
26 are raised by the department within 15 days of filing, the  
27 department shall proceed to issue or deny the permit.

28 (b) In case any well location referred to in section 201(b)  
29 is made so that the well when drilled will penetrate anywhere  
30 within the outside coal boundaries of any operating coal mine or



1 coal mine already projected and platted but not yet being  
2 operated or within 1,000 linear feet beyond such boundaries and  
3 the well when drilled or the pillar of coal about the well will,  
4 in the opinion of the coal owner or operator, unduly interfere  
5 with or endanger such mine, then the coal owner or operator  
6 affected shall have the right to file objections in accordance  
7 with section 501 to such proposed location within 15 days of the  
8 receipt by the coal operator of the plat provided for in section  
9 201(b). An alternative location at which the proposed well could  
10 be drilled to overcome such objections shall, if possible, be  
11 indicated. If no such objections to the proposed location are  
12 filed or if none are raised by the department within 15 days  
13 after receipt of the plat by the coal operator or owner, or if  
14 written approval by the coal operator or owner of the location  
15 is filed with the department and no objections are raised by the  
16 department within 15 days of filing, the department shall proceed  
17 to issue or deny the permit.

18 (c) If any objections are filed by any coal operator or  
19 owner or are made by the department, the department shall fix a  
20 time and place for a conference in accordance with section 501  
21 not more than ten days from the date of the service of such  
22 objections on the well operator at which conference the well  
23 operator and such coal operators or owners as are present or  
24 represented shall consider the objections and attempt to agree  
25 upon a location. If they fail to agree upon a location, the  
26 department shall by an appropriate order, determine a location  
27 on such tract of land as near to the original location as  
28 possible where, in the judgment of the department, the well can  
29 be safely drilled without unduly interfering with or endangering  
30 such mine as defined in subsection (b). Such new location as

1 agreed upon by said parties or as determined by the department  
2 shall be indicated on the plat on file with the department and  
3 shall become a permanent record, whereupon the department shall  
4 proceed to issue or deny the permit.

5 (d) Within 120 days after the commencement of drilling  
6 operations, the coal operator shall accurately locate the well  
7 by a closed survey on the same datum as the mine workings or  
8 coal boundaries are mapped and file the results of the survey  
9 with the department and forward, by certified mail, a copy to  
10 the well operator.

11 ~~Section 203. Permit revocation; cease and desist~~  
12 ~~orders.~~

<—

13 ~~(a) The department shall have the authority to order~~  
14 ~~immediate cessation of operations or activities on any well or~~  
15 ~~well site from which arises a threat of imminent harm to person~~  
16 ~~or property of or pollution of waters of the Commonwealth. Any~~  
17 ~~order requiring the immediate cessation of drilling operations~~  
18 ~~shall automatically expire after a 5 day period unless the~~  
19 ~~department obtains a court order upholding and continuing the~~  
20 ~~existing department order.~~

21 ~~(b) The department shall have the power to suspend or revoke~~  
22 ~~a well permit pursuant to this section for any operating well~~  
23 ~~where the well site is shown to be in continuing violation of~~  
24 ~~this act, the act of June 22, 1937 (P.L.1987, No.394), known as~~  
25 ~~The Clean Streams Law, the act of July 7, 1980 (P.L.380, No.97),~~  
26 ~~known as the Solid Waste Management Act, or other statutes~~  
27 ~~administered by the department and where the violation is caused~~  
28 ~~by the drilling, completion or continued operation of a well.~~

29 ~~(c) Prior to the suspension or revocation of a well permit,~~  
30 ~~the department shall serve written notice upon the well operator~~

~~1 or its agent of the intention of the department to suspend or  
2 revoke said well permit and shall state with specificity the  
3 statutory provisions, appropriate rule or regulation or other  
4 reason and the factual circumstances which surround the  
5 violation upon which the permit suspension or revocation is to  
6 be based. Within 15 days of the receipt of such written notice  
7 by the well operator or its agent, there shall be scheduled a  
8 conference pursuant to this act unless the right to such  
9 conference is waived by the well operator or its authorized  
10 agent. Such conference shall be for the purpose of determining  
11 the exact nature of the violation and to determine whether said  
12 violation continues to exist. The department shall determine  
13 within 15 days of the conclusion of such conference whether or  
14 not the violation is continuing and upon a written finding that  
15 the well site is in continuing violation, the department may  
16 suspend or revoke the well permit for the well involved  
17 effective upon receipt of written notice of same by the well  
18 operator or its agent unless the well operator or its agent  
19 requests a hearing before the Environmental Hearing Board within  
20 five days of the receipt of such notice.~~

~~21 (d) Upon a finding by the department that the well permit  
22 should be suspended or revoked, the well operator shall be  
23 entitled to a hearing before the Environmental Hearing Board  
24 within 30 days of the departmental finding for permit suspension  
25 or revocation. Upon a similar finding by the Environmental  
26 Hearing Board that a continuing violation of this act exists and  
27 that the well permit should be suspended or revoked, the permit  
28 shall be suspended or revoked. The well operator shall have all  
29 rights of appeal pursuant to 2 Pa.C.S. (relating to  
30 administrative law and procedure). No well permit suspension or~~

1 ~~revocation shall be final or effective until an exhaustion of~~  
2 ~~the appeal process, providing that a stay has been issued which~~  
3 ~~remains as a supersedeas.~~

4 SECTION 203. PERMIT SUSPENSION AND REVOCATION. <—

5 (A) THE DEPARTMENT SHALL HAVE THE RIGHT TO SUSPEND OR REVOKE  
6 THE PERMIT FOR ANY WELL WITH RESPECT TO WHICH THE OPERATOR IS IN  
7 VIOLATION OF THIS ACT OR OTHER APPLICABLE LAWS, RULES AND  
8 REGULATIONS OF THE DEPARTMENT OR OF THE CONDITIONS OF THE WELL  
9 PERMIT. PRIOR TO ANY SUSPENSION OR REVOCATION OF A PERMIT, THE  
10 DEPARTMENT SHALL GIVE WRITTEN NOTICE TO THE WELL OPERATOR OF ITS  
11 INTENDED ACTION. SAID OPERATOR SHALL HAVE 15 DAYS TO REQUEST A  
12 CONFERENCE WITH THE DEPARTMENT TO GIVE SUCH CAUSE WHY SUCH  
13 ACTION SHOULD NOT BE TAKEN. UPON RECEIPT OF SUCH WRITTEN NOTICE,  
14 THE DEPARTMENT SHALL HOLD A CONFERENCE AND SHALL, WITHIN TEN  
15 DAYS THEREAFTER, MAKE A DETERMINATION.

16 ~~(e)~~ (B) Nothing contained in this section shall affect or <—  
17 impair the enforcement powers granted the department pursuant to  
18 this act.

19 Section 204. Inactive status.

20 (a) Upon application, the department may grant inactive  
21 status for any permitted well which satisfies the following  
22 requirements:

23 (1) the condition of the well is sufficient to prevent  
24 damage to the producing zone or contamination of fresh water  
25 or other natural resources or surface leakage of any  
26 substance;

27 (2) the well is temporarily plugged in a manner  
28 prescribed by regulation which stops the vertical flow of  
29 fluids or gas within the well bore and which is adequate to  
30 protect freshwater aquifers; ~~if the department determines the~~ <—

~~well poses a threat to the health and safety of persons or property or to the environment;~~

(3) the applicant certifies that the well is of future utility and presents a viable plan for utilizing the well within a reasonable time; and

(4) the applicant satisfies such bonding requirements as the department shall establish by regulation to ensure the proper plugging of wells granted inactive status.

(b) The owner or operator of any well granted inactive status shall be responsible for monitoring the mechanical integrity of such well and shall report the same on an annual basis to the department in a manner and form as the department shall prescribe by regulation.

(c) Approval of inactive status under this section shall be valid for a period of five years unless renewed pursuant to the requirements of this section. The department shall have the right to revoke such status and order the immediate plugging of said well if it is in violation of this act or any other statute, rule or regulation administered by the department or upon receipt by the department of notice of bankruptcy proceedings by the permittee.

Section 205. Well location restrictions.

(a) Wells may not be drilled within 200 feet measured horizontally from any existing building or existing water well without the written consent of the owner thereof. Where the distance restriction would deprive the owner of the oil and gas rights of the right to produce or share in the oil or gas underlying said surface tract, the well operator may be granted a variance from said distance restriction upon submission of a plan which shall identify the additional measures, facilities or

1 practices to be employed during well site construction, drilling  
2 and operations. The variance, if granted, shall include such  
3 additional terms and conditions as the department shall require  
4 to insure the safety and protection of affected persons and  
5 property. The provisions may include insurance, bonding and  
6 indemnification, as well as technical requirements.

7 (b) No well site may be prepared or well drilled within 100  
8 feet measured horizontally from any stream, spring or body of  
9 water as identified on the most current 7 1/2 minute topographic  
10 quadrangle map of the United States Geological Survey or within  
11 100 feet of any wetlands as defined herein. The department may  
12 waive such distance restrictions upon submission of a plan which  
13 shall identify the additional measures, facilities or practices  
14 to be employed during well site construction, drilling and  
15 operations. Such waiver, if granted, shall impose such permit  
16 conditions as are necessary to protect the waters of the  
17 Commonwealth.

18 (C) THE DEPARTMENT SHALL, ON MAKING A DETERMINATION ON A <—  
19 WELL PERMIT, CONSIDER THE IMPACT OF THE PROPOSED WELL ON PUBLIC  
20 RESOURCES TO INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING:

21 (1) PUBLICLY OWNED PARKS, FORESTS, GAMELANDS AND  
22 WILDLIFE AREAS.

23 (2) NATIONAL OR STATE SCENIC RIVERS.

24 (3) NATIONAL NATURAL LANDMARKS.

25 (4) HABITATS OF RARE AND ENDANGERED FLORA AND FAUNA AND  
26 OTHER CRITICAL COMMUNITIES.

27 (5) HISTORICAL AND ARCHAEOLOGICAL SITES LISTED ON THE  
28 FEDERAL OR STATE LIST OF HISTORIC PLACES.

29 Section 206. Well site restoration.

30 (a) Each oil or gas well owner or operator shall restore the

1 land surface AND REIMBURSE THE LANDOWNER FOR THE LOSS OF ANY  
2 TIMBER DESTROYED within the area disturbed in siting, drilling,  
3 completing and producing the well.

4 (b) During and after all earthmoving or soil disturbing  
5 activities, including but not limited to, the activities related  
6 to siting, drilling, completing, producing and plugging the  
7 well; erosion and sedimentation control measures shall be  
8 implemented in accordance with an erosion and sedimentation  
9 control plan prepared in accordance with the act of June 22,  
10 1937 (P.L.1987, No.394), known as The Clean Streams Law.

11 (c) Within nine months after completion of drilling of any  
12 well, the owner or operator shall restore the well site, remove  
13 or fill all pits used to contain produced fluids or industrial  
14 wastes and remove all drilling supplies and equipment not needed  
15 for production. Drilling supplies and equipment not needed for  
16 production may be stored on the well site if the express written  
17 consent of the surface landowner is obtained.

18 (d) Within nine months after plugging a well, the owner or  
19 operator shall remove all production or storage facilities,  
20 supplies and equipment and restore the well site.

21 (e) Restoration activities required by this act or in  
22 regulations promulgated hereunder shall also comply with all  
23 applicable provisions of The Clean Streams Law.

24 (f) Failure to restore the well site as required in this act  
25 or in regulations promulgated hereunder is a violation of this  
26 act.

27 (g) The restoration period may be extended by the department  
28 for an additional six months upon application of the well owner  
29 or operator providing evidence of inability to comply due to  
30 adverse weather conditions or lack of essential fuel, equipment

1 or labor.

2 Section 207. Casing requirements.

3 (a) To prevent the migration of gas or fluids into sources  
4 of fresh groundwater and to prevent pollution or diminution of  
5 fresh groundwaters, there shall be run and permanently cemented  
6 a string or strings of casing in each well drilled through the  
7 fresh water bearing strata to a depth and in a manner prescribed  
8 by regulation by the department.

9 (b) When a well is drilled at a location where the coal has  
10 been removed from one or more coal seams, the well shall be  
11 drilled and cased to prevent the migration of gas or fluids into  
12 the seam from which the coal has been removed in a manner  
13 prescribed by regulation of the department. The department and  
14 the coal operator, owner or lessee shall be given at least 72  
15 hours' notice prior to commencement of the work protecting the  
16 mine.

17 (c) When a well is drilled at a location where the coal seam  
18 has not been removed, the well shall be drilled to such a depth  
19 and of size as will permit the placing of casing, packers in,  
20 and vents on, the hole at such points and in such a manner  
21 prescribed by the department by regulation as will exclude all  
22 gas or fluids from the coal seam, except such as may be found  
23 naturally in the coal seam itself and will enable the monitoring  
24 of the integrity of the production casing.

25 ~~Section 208. Protection of water supplies.~~

<—

26 ~~(a) Any well operator who affects a public or private water~~  
27 ~~supply by pollution or diminution shall restore or replace the~~  
28 ~~affected supply with an alternate source of water adequate in~~  
29 ~~quantity or quality for the purposes served by the supply.~~

30 ~~(b) Any landowner or water purveyor who suffers pollution or~~



1 ~~diminution of a water supply because of activity associated with~~  
2 ~~an oil or gas well shall file a written claim with the well~~  
3 ~~operator or owner within 90 days of the discovery of such~~  
4 ~~pollution or diminution and forward a copy of said claim to the~~  
5 ~~department. The well operator or owner shall repair, replace,~~  
6 ~~restore or remedy coverage for any pollution or diminution of~~  
7 ~~public or private water supplies within 30 days after receiving~~  
8 ~~written notice of a claim: Provided, however, That the well~~  
9 ~~operator or owner may, within 30 days after receiving written~~  
10 ~~notice of a claim, request a conference to arbitrate the claim~~  
11 ~~with the affected landowner or water purveyor in accordance with~~  
12 ~~section 501. Upon receipt of a request for a conference, the~~  
13 ~~department shall investigate the claim of the landowner or water~~  
14 ~~purveyor and proceed to arbitrate said claim in accordance with~~  
15 ~~the provisions of section 501.~~

16 ~~(c) Nothing herein shall prevent any landowner or water~~  
17 ~~purveyor who claims pollution or diminution of a water supply~~  
18 ~~from seeking any other remedy that may be provided at law or in~~  
19 ~~equity.~~

20 SECTION 208. PROTECTION OF WATER SUPPLIES; REBUTTABLE

<—

21 PRESUMPTION.

22 (A) ANY WELL OPERATOR WHO AFFECTS A PUBLIC OR PRIVATE WATER  
23 SUPPLY BY CONTAMINATION OR DIMINUTION SHALL RESTORE OR REPLACE  
24 THE AFFECTED SUPPLY WITH AN ALTERNATE SOURCE OF WATER ADEQUATE  
25 IN QUANTITY OR QUALITY FOR THE PURPOSES SERVED BY THE SUPPLY.

26 (B) IT SHALL BE PRESUMED, AS A MATTER OF LAW, THAT A WELL  
27 OPERATOR IS RESPONSIBLE, WITHOUT PROOF OF FAULT, NEGLIGENCE OR  
28 CAUSATION, FOR ALL POLLUTION OR DIMINUTION OF PUBLIC OR PRIVATE  
29 WATER SUPPLIES WITHIN 1,000 FEET OF THE PERIMETER OF THE WELL,  
30 WHICH OCCURRED WITHIN SIX MONTHS AFTER THE COMPLETION OF SUCH

1 DRILLING OR ALTERATION ACTIVITY BUT WHICH DID NOT EXIST PRIOR TO  
2 THE DRILLING OR ALTERATION OF THE WELL AS DETERMINED BY A  
3 PREDRILLING OR PREALTERATION SURVEY. THERE SHALL BE ONLY FOUR  
4 DEFENSES TO THE PRESUMPTIONS OF LIABILITY PROVIDED HEREIN. THE  
5 WELL OPERATOR MUST AFFIRMATIVELY PROVE BY CLEAR AND CONVINCING  
6 EVIDENCE THAT:

7 (1) THE LANDOWNER OR WATER SUPPLY COMPANY REFUSED TO  
8 ALLOW THE OPERATOR ACCESS TO CONDUCT A PREDRILLING OR  
9 PREALTERATION SURVEY.

10 (2) THE STRUCTURE OR WATER SUPPLY IS NOT WITHIN THE  
11 RELEVANT ZONE OR PRESUMED DAMAGE.

12 (3) THE POLLUTION OR DIMINUTION EXISTED PRIOR TO THE  
13 DRILLING OR ALTERATION AS DETERMINED BY A PREDRILLING OR  
14 PREALTERATION SURVEY OR OCCURRED MORE THAN SIX MONTHS AFTER  
15 COMPLETION OF SUCH DRILLING OR ALTERATION ACTIVITIES.

16 (4) THE POLLUTION OR DIMINUTION OCCURRED AS THE RESULT  
17 OF SOME CAUSE OTHER THAN SAID DRILLING OR ALTERATION.

18 (C) ANY LANDOWNER OR WATER SUPPLY COMPANY WHO SUFFERS  
19 POLLUTION OR DIMINUTION OF A WATER SUPPLY WITHIN THE RELEVANT  
20 ZONE OR PRESUMED DAMAGE SHALL FILE A WRITTEN CLAIM WITH THE WELL  
21 OPERATOR OR OWNER WITHIN 90 DAYS OF SUCH POLLUTION OR  
22 DIMINUTION. THE WELL OPERATOR OR OWNER SHALL REPAIR, REPLACE,  
23 RESTORE OR REMEDY COVERAGE FOR ANY POLLUTION OR DIMINUTION OF  
24 PUBLIC OR PRIVATE WATER SUPPLIES WITHIN 30 DAYS AFTER RECEIVING  
25 WRITTEN NOTICE OF A CLAIM. THE WELL OPERATOR OR OWNER MAY,  
26 WITHIN 30 DAYS AFTER RECEIVING WRITTEN NOTICE OF A CLAIM,  
27 REQUEST CONFERENCE TO ARBITRATE THE CLAIM WITH THE AFFECTED  
28 LANDOWNER OR WATER SUPPLY COMPANY IN ACCORDANCE WITH SECTION  
29 501.

30 (D) NOTHING HEREIN SHALL PREVENT ANY LANDOWNER OR WATER

1 SUPPLY COMPANY WHO CLAIMS POLLUTION OR DIMINUTION OF A WATER  
2 SUPPLY FROM SEEKING ANY OTHER REMEDY THAT MAY BE PROVIDED AT LAW  
3 OR IN EQUITY.

4 Section 209. Use of safety devices.

5 Any person engaged in drilling any oil or gas well shall  
6 equip the well with casings of sufficient strength and with such  
7 other safety devices as may be necessary in a manner as  
8 prescribed by regulation of the department and shall use every  
9 effort and endeavor effectively to prevent blowouts, explosions  
10 and fires.

11 Section 210. Plugging requirements.

12 (a) Upon abandoning any well, the owner or operator thereof  
13 shall plug the well in a manner prescribed by regulation of the  
14 department in order to stop any vertical flow of fluids or gas  
15 within the well bore unless the department has granted inactive  
16 status for such well pursuant to section 204.

17 (b) Prior to the abandonment of any well in an area  
18 underlain by a workable coal seam, the well operator or owner  
19 shall notify the coal operator, lessee or owner and the  
20 department of his intention to plug and abandon any such well  
21 and submit a plat, on a form to be furnished by the department,  
22 showing the location of the well and fixing the date and time at  
23 which the work of plugging will be commenced, which time shall  
24 be not less than 72 hours after the time when such notice is  
25 received, nor more than 30 days thereafter in order that their  
26 representatives may be present at the plugging of the well. Such  
27 notice may be waived by the department and said coal operator,  
28 lessee or owner and any of them may likewise waive their right  
29 to be present but such waiver by coal operator, lessee or owner  
30 shall be in writing and a copy thereof attached to the notice of

1 abandonment, filed with the department under this section.  
2 Whether or not such representatives appear, the well operator  
3 may, if he has fully complied with the requirements of this  
4 section, proceed at the time fixed, to plug the well in the  
5 manner as prescribed by regulation of the department. When such  
6 plugging has been completed, a certificate shall be prepared and  
7 signed, on a form to be furnished by the department, by two  
8 experienced and qualified people who participated in the work  
9 setting forth the time and manner in which the well has been  
10 plugged. One copy of this certificate shall be mailed to each  
11 coal operator, lessee or owner to whom notice was given by  
12 certified mail and another copy shall be mailed to the  
13 department.

14 (c) Prior to the abandonment of any well, except an  
15 uncompleted bore hole plugged immediately upon suspension of  
16 drilling in an area not underlain by a workable coal seam, the  
17 well operator shall notify the department of his intention to  
18 plug and abandon any such well and submit a plat, on a form to  
19 be furnished by the department, showing the location of the well  
20 and fixing the date and time at which the work of plugging will  
21 be commenced, which time shall not be less than 72 hours nor  
22 more than 30 days after the time of mailing such notice, in  
23 order that the department representative may be present at the  
24 plugging of the well. Such notice or waiting period may be  
25 verbally waived by the department. In noncoal areas where more  
26 than one well has been drilled as part of the same development  
27 project and these wells are now to be plugged, it is required  
28 that the department be given 72 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, no

1 additional notice shall be required if the plugging on the  
2 project is continuous. If the plugging of subsequent wells is  
3 delayed for any reason, notice shall be given to the department  
4 of the continuation of such project. Whether or not such  
5 department representative appears, the well operator may, if he  
6 has fully complied with the requirements of this section,  
7 proceed at the time fixed to plug the well in the manner as  
8 prescribed by regulation of the department. When such plugging  
9 has been completed, a certificate shall be prepared, on a form  
10 to be furnished by the department, by two experienced and  
11 qualified people who participated in the work, setting forth the  
12 time and manner in which the well was plugged. A copy of this  
13 certificate shall be mailed to the department.

14 (d) Whenever any well is to be abandoned immediately after  
15 completion of drilling, the well operator shall give at least 24  
16 hours' notice by telephone, confirmed by certified mail, to the  
17 department and to the coal operator, lessee or owner, if any,  
18 fixing the date and time at which the work of plugging will be  
19 commenced. Such notice may be waived by the department and said  
20 coal operator, lessee or owner, and any of them may likewise  
21 waive their right to be present. Whether or not any  
22 representative of the department or of the coal operator, lessee  
23 or owner, if any, appear, the well operator may, if he has fully  
24 complied with the requirements of this section, proceed at the  
25 time fixed, to plug the well in the manner provided by  
26 regulation prescribed by the department. The well operator shall  
27 prepare the certificate of plugging and mail copies of the same  
28 as provided in subsections (b) and (c).

29 (e) If a well is abandoned without plugging, the department  
30 shall have the right to enter upon the well site and plug the

1 abandoned well and to sell such equipment casing and pipe as may  
2 have been used in the production of the well in order to recover  
3 the costs of plugging. Said costs of plugging shall have  
4 priority over all liens on said equipment, casing and pipe and  
5 said sale shall be free and clear of any such liens to the  
6 extent the costs of plugging exceed the sale price. If the  
7 equipment price obtained for casing and pipe salvaged at the  
8 abandoned well site is inadequate to pay for the cost of  
9 plugging the well, the owner or operator of the well shall be  
10 legally liable for the additional costs of plugging the well.

11 Section 211. Alternative methods.

12 Whenever provision is made in this act for adoption of  
13 regulatory requirements for casing, plugging or equipping a  
14 well, a well operator may request the authority to use an  
15 alternative method of material by filing an application with the  
16 department, describing such proposed alternative method or  
17 material in reasonable detail indicating the manner in which it  
18 will accomplish the goals of this act and regulations adopted  
19 pursuant hereto. Notice of filing of any such application shall  
20 be given by the well operator by certified mail to any coal  
21 operator or operators affected. Any such coal operator may,  
22 within 15 days following such notice, file objections to such  
23 proposed alternative method or material. If no objections are  
24 filed within said 15-day period and if none is raised by the  
25 department, the department shall forthwith make a determination  
26 whether to allow the use of the proposed alternative method or  
27 material.

28 Section 212. Well reporting requirements.

29 (a) Every well operator shall file with the department, on a  
30 form provided by the department, an annual report specifying the

1 amount of production from each well on an individual well basis.  
2 Where said data is not available on a well basis, it may be  
3 reported on the most well-specific basis available. Annual  
4 reports shall also specify the status of each well, however, in  
5 subsequent years, only changes in the status need be reported.  
6 All such reports shall be kept confidential for one year after  
7 the date the information is required to be filed hereunder. Upon  
8 request of the well operator, the department shall extend the  
9 period of confidentiality for four years. The total period of  
10 confidentiality shall not exceed five years: Provided, however,  
11 That the department shall have the right to utilize such  
12 information in enforcement proceedings, in making designations  
13 or determinations under section 1927-A of the act of April 9,  
14 1929 (P.L.177, No.175), known as The Administrative Code of  
15 1929, or in aggregate form for statistical purposes.

16 (b) It shall be the duty of the well operator to keep  
17 records of any well drilled or altered. A record of the well  
18 containing such information as required by regulation shall be  
19 filed with the department within 30 days of cessation of  
20 drilling. A completion report containing such additional  
21 information as required by regulation shall be filed with the  
22 department within 30 days after the completion of the well and  
23 it shall be kept on file by the department. Within 90 days after  
24 the completion of drilling or recompletion of a well, if  
25 requested by the department, the well operator shall submit a  
26 copy of the electrical, radioactive or other standard industry  
27 logs if they have been run. In addition, if requested by the  
28 department within one year, the well operator shall file a copy  
29 of drill stem test charts, formation water analysis, porosity,  
30 permeability or fluid saturation measurements, core analysis and

1 lithologic log or sample description or other similar data as  
2 compiled. No such information shall be required unless the well  
3 operator has had such information compiled in the ordinary  
4 course of business. No interpretation of the data is to be  
5 filed.

6 (c) Upon notification by the department prior to  
7 commencement of drilling, the well operator shall collect for  
8 the department additional data as the department shall specify,  
9 such as representative drill cuttings and samples from cores  
10 taken and any other such geological information that the  
11 operator reasonably can compile. No interpretation of the data  
12 is to be filed.

13 (d) All electrical, radioactive or other standard industry  
14 logs, drill stem test charts, formation water analyses,  
15 porosity, permeability or fluid saturation measurements, core  
16 analysis and lithologic logs or sample description or other  
17 similar data as compiled, required under subsection (b) or drill  
18 cuttings required under subsection (c) shall be retained by the  
19 well operator and shall be filed with the department three years  
20 after completion of the well. Upon request of the well operator,  
21 the department shall extend the date for the filing of the data  
22 but the extension shall not exceed five years from the date of  
23 completion of the well: Provided, however, That the department  
24 shall have the right to utilize such information in enforcement  
25 proceedings, in making designations or determinations under  
26 section 1927-A of the act of April 9, 1929 (P.L.177, No.175),  
27 known as The Administrative Code of 1929, or in aggregate form  
28 for statistical purposes.

29 Section 213. Notification of transfer.

30 The owner or operator of any well shall notify the



1 department, in writing, in such form as the department may  
2 direct by regulation, of the sale, assignment, transfer,  
3 conveyance or exchange by the owner or to the owner of such well  
4 within 30 days after such sale, assignment, conveyance or  
5 exchange. No such transfer shall relieve the well owner or  
6 operator of any liability accrued under this act, nor shall it  
7 relieve him of the obligation to plug said well until the  
8 requirements of section 215 have been met.

9 Section 214. Coal operator responsibilities.

10 (a) Hereafter, at any time prior to removing any coal or  
11 other underground material or extending the workings in any coal  
12 mine within 500 feet of any oil or gas well of which the coal  
13 operator has knowledge, or any approved well location of which  
14 the coal operator has knowledge, the coal operator shall  
15 forward, by certified mail, to or file with the well operator  
16 and the department a copy of such relevant part of its maps and  
17 plans which it is presently required by law to prepare and file  
18 with the department, showing the pillar which the coal operator  
19 proposes to leave in place around each oil or gas well in the  
20 projected workings. Following the filing of maps and plans, the  
21 coal operator may proceed with mining operations in the manner  
22 projected on said maps and plans but he shall not remove any  
23 coal or cut any passageway within 150 feet of any such well or  
24 approved well location until written approval has been granted  
25 as hereinafter provided. If, in the opinion of the well operator  
26 or the department, such plan indicates that the pillar proposed  
27 to be left around any such well or approved well location is  
28 insufficient in size, then the well operator affected shall  
29 attempt to agree with the coal operator upon a suitable pillar,  
30 subject to the approval of the department, but failing to agree,

1 such well operator may, within ten days from receipt by them of  
2 such plan, file objections in accordance with section 501 to  
3 such proposed plan, indicating the size of the pillar to be left  
4 with respect to each such well. If no objections are filed  
5 within said ten-day period or if none are raised by the  
6 department, the department shall forthwith grant approval to the  
7 coal operator reciting the filing of said maps or plans, that no  
8 objections have been made thereto and that the pillar proposed  
9 to be left for each such well is approved in the manner as  
10 projected.

11 (b) If any objections are filed by such well operator or are  
12 raised by the department, the department shall direct that a  
13 conference be held in accordance with section 501 within ten  
14 days of the filing of such objections. At such conference the  
15 coal operator and the person who has filed such objections shall  
16 attempt to agree upon a proposed plan, showing the pillar to be  
17 left around each well, which will satisfy such objections and be  
18 approved by the department and, if such plan is agreed upon, the  
19 department shall forthwith grant approval to the coal operator  
20 reciting the filing of said plan and that the pillar to be left  
21 for each such well is approved as agreed upon. If no such plan  
22 showing the pillar to be left with respect to each well can be  
23 agreed upon at such conference, the department shall by an  
24 appropriate order, determine the pillar to be left with respect  
25 to such well. In a proceeding under this section, the department  
26 shall follow as nearly as is possible the original plan filed by  
27 the coal operator. The department shall not require the coal  
28 operator to leave a pillar in excess of 100 feet in radius,  
29 except that, if it is established that unusual conditions exist  
30 requiring the leaving of a larger pillar, the department may

1 require a pillar up to but not exceeding 150 feet in radius. The  
2 pillar to be left with respect to each well as determined by the  
3 department shall be shown on the maps or plans on file with the  
4 department as provided in subsection (a) and the department  
5 shall thereupon approve the pillar to be left for each such  
6 well.

7 (c) Application may be made at any time to the department by  
8 the coal operator to leave a pillar of less size than that shown  
9 on the plan filed by him or approved or determined by the  
10 department pursuant to the provisions of this section. If any  
11 such application is filed, the department may, following the  
12 procedure hereinbefore in this section prescribed, by an  
13 appropriate order, determine a different plan showing a pillar  
14 of less size with respect to any or all wells covered by such  
15 application and shall thereupon grant approval for the pillar to  
16 be left with respect to each such well.

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

23 (e) Nothing in this act shall be construed to require a well  
24 operator to pay for any coal pillar required by the act to be  
25 left around any well drilled prior to the effective date of this  
26 act. Nothing contained in this act, which may require a coal  
27 operator to leave a pillar of coal of a certain size around a  
28 well drilled after the effective date of this act, shall in any  
29 way affect any right which the coal operator would have had  
30 prior to the effective date of this act to obtain payment for

1 such coal, nor any duty or right which the well operator,  
2 storage operator or land owner may have had prior to the  
3 effective date of this act to pay for or not to pay for such  
4 coal.

5 Section 215. Bonding.

6 (a) Except as provided in subsection (d) hereof, upon filing  
7 an application for a well permit and before continuing to  
8 operate any oil or gas well, the owner or operator thereof shall  
9 file with the department a bond for the well and the well site  
10 on a form to be prescribed and furnished by the department,  
11 payable to the Commonwealth and conditioned that the operator  
12 shall faithfully perform all of the requirements of this act.

13 The amount of the bond required shall be in the amount of ~~\$2,500~~ <—  
14 ~~per well.~~ \$5,000 PER WELL FOR AT LEAST TWO YEARS IMMEDIATELY <—

15 FOLLOWING THE EFFECTIVE DATE OF THIS ACT, AFTER WHICH TIME THE  
16 BOND AMOUNT SHALL BE ADJUSTED BY THE ENVIRONMENTAL QUALITY BOARD  
17 EVERY TWO YEARS TO REFLECT THE PROJECTED COSTS TO THE

18 COMMONWEALTH OF PERFORMING WELL PLUGGING. In lieu of individual  
19 bonds for each well an owner or operator may file a blanket

20 bond, on a form prepared by the department, covering all of its  
21 wells in Pennsylvania as enumerated on the bond form. A blanket  
22 bond shall be in the amount of ~~\$25,000~~ \$50,000 FOR AT LEAST TWO <—

23 YEARS IMMEDIATELY FOLLOWING THE EFFECTIVE DATE OF THIS ACT,  
24 AFTER WHICH TIME THE BLANKET BOND AMOUNT SHALL BE ADJUSTED BY  
25 THE ENVIRONMENTAL QUALITY BOARD EVERY TWO YEARS TO REFLECT THE  
26 PROJECTED COSTS TO THE COMMONWEALTH OF PERFORMING WELL PLUGGING.

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

1 corporate surety licensed to do business in the Commonwealth and  
2 approved by the secretary. The operator may elect to deposit  
3 cash, bank certificates of deposit, automatically renewable  
4 irrevocable bank letters of credit which may be terminated by  
5 the bank at the end of a term only upon the bank giving 90 days  
6 prior written notice to the permittee and the department or  
7 negotiable bonds of the United States Government or the  
8 Commonwealth, the Pennsylvania Turnpike Commission, the General  
9 State Authority, the State Public School Building Authority or  
10 any municipality within the Commonwealth, with the department in  
11 lieu of a corporate surety. The cash deposit, bank certificate  
12 of deposit, amount of such irrevocable letter of credit or  
13 market value of such securities shall be equal at least to the  
14 sum of the bond. The secretary shall, upon receipt of any such  
15 deposit of cash, letters of credit or negotiable bonds,  
16 immediately place the same with the State Treasurer, whose duty  
17 it shall be to receive and hold the same in the name of the  
18 Commonwealth, in trust, for the purpose for which such deposit  
19 is made. The State Treasurer shall at all times be responsible  
20 for the custody and safekeeping of such deposits. The operator  
21 making deposit shall be entitled from time to time to demand and  
22 receive from the State Treasurer, on the written order of the  
23 secretary, the whole or any portion of any collateral so  
24 deposited, upon depositing with him, in lieu thereof, other  
25 collateral of the classes herein specified having a market value  
26 at least equal to the sum of the bond, and also to demand,  
27 receive and recover the interest and income from said negotiable  
28 bonds as the same becomes due and payable. Where negotiable  
29 bonds, deposited as aforesaid, mature or are called, the State  
30 Treasurer, at the request of the owner thereof, shall convert

1 such negotiable bonds into such other negotiable bonds of the  
2 classes herein specified as may be designated by the owner.  
3 Where notice of intent to terminate a letter of credit is given,  
4 the department shall give the operator 30 days' written notice  
5 to replace the letter of credit with other acceptable bond  
6 guarantees as provided herein and if the owner or operator fails  
7 to replace the letter of credit within the 30-day notification  
8 period, the department shall draw upon and convert such letter  
9 of credit into cash and hold it as a collateral bond guarantee.

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

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

1 person aggrieved by reason of forfeiting the bond or converting  
2 collateral, as herein provided, shall have a right to appeal to  
3 the Environmental Hearing Board in the manner provided by law.  
4 Upon forfeiture of a blanket bond for a violation occurring at  
5 one or more well sites, the person whose bond is forfeited shall  
6 submit a replacement bond to cover all other wells of which he  
7 is owner or operator within ten days of said forfeiture. Failure  
8 to submit said replacement bond constitutes a violation of this  
9 section as to each of the wells owned or operated by said  
10 person.

11 (d) Any well operator who cannot obtain a bond FOR A WELL <—  
12 DRILLED PRIOR TO THE EFFECTIVE DATE OF THIS ACT, as required  
13 under subsection (a), due to an inability to demonstrate  
14 sufficient financial resources shall submit to the department  
15 letters of rejection from ~~three~~ TWO separate bonding companies <—  
16 licensed to do business in the Commonwealth. Such letters shall  
17 state that the operator has been denied a bond and state the  
18 grounds for denial of the bond. In lieu of the bond, the  
19 operator shall submit to the department a fee in the amount of  
20 ~~\$100~~ \$150 per well, or a blanket fee of ~~\$1,000~~ \$1,500 for ten or <—  
21 more wells, which shall be a nonrefundable fee paid each year  
22 that the operator has not filed a bond with the department. The  
23 operator must demonstrate every three years a continued  
24 inability to obtain a bond as prescribed above. All fees  
25 collected in lieu of a bond under this subsection shall be paid  
26 into the Well Plugging Restricted Revenue Account and shall be  
27 used for the purposes authorized by this act. The Environmental  
28 Quality Board shall have the power, by regulation, to increase  
29 the amount of the fees established under this subsection if it  
30 is found that the total moneys collected hereunder are

1 insufficient to reimburse the Commonwealth for costs incurred in  
2 correcting violations on wells covered under this subsection.

3 (e) All remedies for violation of this act, the regulations  
4 adopted hereunder or the conditions of permits are expressly  
5 preserved. Nothing in subsections (a), (b) and (c) shall be  
6 construed as an exclusive penalty or remedy for such violations  
7 of law. No action taken pursuant to subsection (c) shall waive  
8 or impair any other remedy or penalty provided in law.

9 Section 216. Oil and Gas Technical Advisory Board.

10 (a) There shall be created an Oil and Gas Technical Advisory  
11 Board. The board shall consist of five members, all of whom  
12 shall be chosen by the Governor and shall be residents of this  
13 Commonwealth. Three members shall be either petroleum engineers,  
14 petroleum geologists or experienced driller representatives of  
15 the oil and gas industry with three years of experience in  
16 Pennsylvania. One member shall be a mining engineer from the  
17 coal industry with three years of experience in Pennsylvania.  
18 One member shall be a geologist or petroleum engineer with three  
19 years of experience in Pennsylvania, who shall be chosen from a  
20 list of three names submitted by the Citizens Advisory Council  
21 to the Governor and who shall sit as a representative of the  
22 public interest.

23 (b) Board members shall not receive a salary but shall be  
24 reimbursed for all necessary expenses incurred in the  
25 performance of their duties.

26 (c) All actions of the board shall be by majority vote. The  
27 board shall meet upon the call of the secretary, but not less  
28 than semiannually, to carry out its duties under this act. The  
29 board shall select a chairman and such other officers as it  
30 deems appropriate.



1 (d) The department shall consult with the board in the  
2 formulation, drafting and presentation stages of all regulations  
3 of a technical nature promulgated under this act. The board  
4 shall be given a reasonable opportunity to review and comment on  
5 all regulations of a technical nature prior to submission to the  
6 Environmental Quality Board for initial consideration. The  
7 written report of the board shall be presented to the  
8 Environmental Quality Board with any regulatory proposal. The  
9 chairman of the board shall be invited to participate in the  
10 presentation of all regulations of a technical nature before the  
11 Environmental Quality Board to the extent allowed by procedures  
12 of the Environmental Quality Board. Nothing herein shall  
13 preclude any member of the board from filing a petition for  
14 rulemaking with the Environmental Quality Board in accordance  
15 with procedures established by the Environmental Quality Board.

16 CHAPTER 3

17 UNDERGROUND GAS STORAGE

18 Section 301. Reporting requirements for gas storage operations.

19 (a) Any person who is injecting into or storing gas in a  
20 storage reservoir which underlies or is within 3,000 linear feet  
21 of an operating coal mine which is operating in a coal seam that  
22 extends over the storage reservoir or the reservoir protective  
23 area, shall, within 60 days thereafter, file with the department  
24 a copy of a map and certain data in the form and manner provided  
25 in this subsection or as otherwise prescribed by regulation of  
26 the department.

27 Any person who is injecting gas into or storing gas in a  
28 storage reservoir which is not under or within 3,000 linear feet  
29 but is less than 10,000 linear feet from an operating coal mine  
30 which is operating in a coal seam that extends over the storage

1 reservoir or the reservoir protective area, shall file such map  
2 and data within such time in excess of 60 days as the department  
3 may fix or as otherwise prescribed by regulation.

4 Any person who proposes to inject or store gas in a storage  
5 reservoir located as above, shall file the required map and data  
6 with the department not less than six months prior to the  
7 starting of actual injection or storage.

8 The map provided for herein shall be prepared by a competent  
9 engineer or competent geologist. It shall show the stratum or  
10 strata in which the existing or proposed storage reservoir is or  
11 is to be located, the geographic location of the outside  
12 boundaries of the said storage reservoir and reservoir  
13 protective area, the location of all known oil or gas wells  
14 within the reservoir or within 3,000 linear feet thereof, which  
15 have been drilled into or through the storage stratum indicating  
16 which of these wells have been or are to be cleaned out and  
17 plugged or reconditioned for storage and also indicating the  
18 proposed location of all additional wells which are to be  
19 drilled within the storage reservoir or within 3,000 linear feet  
20 thereof.

21 The following information, if available, shall be furnished  
22 for all known oil or gas wells which have been drilled into or  
23 through the storage stratum within the storage reservoir or  
24 within 3,000 linear feet thereof, name of the operator, date  
25 drilled, total depth, depth of production if the well was  
26 productive of oil or gas, the initial rock pressure and volume,  
27 the depths at which all coal seams were encountered and a copy  
28 of the driller's log or other similar information. At the time  
29 of the filing of the aforesaid maps and data, such person shall  
30 file a detailed statement of what efforts he has made to

1 determine that the wells shown on said map are accurately  
2 located thereon and that, to the best of his knowledge, they are  
3 all the oil or gas wells which have ever been drilled into or  
4 below the storage stratum within the proposed storage reservoir  
5 or within the reservoir protective area. This statement shall  
6 also include information as to whether or not the initial  
7 injection is for testing purposes, the maximum pressure at which  
8 injection and storage of gas is contemplated and a detailed  
9 explanation of the methods to be used or which, theretofore,  
10 have been used in drilling, cleaning out, reconditioning and  
11 plugging wells in the storage reservoir or within the reservoir  
12 protective area. The map and data required to be filed hereunder  
13 shall be amended or supplemented semiannually in case any  
14 material changes have occurred. The department may required a  
15 storage operator to amend or supplement such map or data at more  
16 frequent intervals if material changes have occurred justifying  
17 such earlier filing.

18 (b) Any person who is injecting gas into or storing gas in a  
19 storage reservoir not then subject to subsection (a), by a  
20 process other than that of secondary recovery or gas recycling,  
21 shall, with such time in excess of 60 days as the department may  
22 fix, file with the department a copy of a map and certain data  
23 in the form and manner provided in this subsection or as  
24 prescribed by regulation of the department.

25 Any person who, after the effective date of this chapter,  
26 proposes to inject or store gas in a storage reservoir in an  
27 area not covered by subsection (a) by a process other than that  
28 of secondary recovery or gas recycling, shall file the required  
29 map and data with the department not less than six months prior  
30 to the starting of actual injection or storage.

1       The map provided for herein shall be prepared by a competent  
2 engineer or competent geologist. It shall show the stratum or  
3 strata in which the existing or proposed storage reservoir is or  
4 is to be located, the geographic location of the outside  
5 boundaries of the said storage reservoir, the location of all  
6 known oil or gas wells within the reservoir or within 3,000  
7 linear feet thereof, which have been drilled into or through the  
8 storage stratum, indicating which of these wells have been or  
9 are to be cleaned out and plugged or reconditioned for storage  
10 and also indicating the proposed location of all additional  
11 wells which are to be drilled within the storage reservoir or  
12 within 3,000 linear feet thereof.

13       The following information, if available, shall be furnished  
14 for all known oil or gas wells which have been drilled into or  
15 through the storage stratum within the storage reservoir or  
16 within 3,000 linear feet thereof, name of the operator, date  
17 drilled, total depth, depth of production if the well was  
18 productive of oil or gas, the initial rock pressure and volume  
19 and a copy of the driller's log or other similar information. At  
20 the time of the filing of the aforesaid maps and data, such  
21 person shall file a detailed statement of what efforts he has  
22 made to determine that the wells shown on said map are  
23 accurately located thereon and that, to the best of that  
24 person's knowledge, they are all the oil or gas wells which have  
25 ever been drilled into or below the storage stratum within the  
26 proposed storage reservoir. This statement shall also include  
27 information as to whether or not the initial injection is for  
28 testing purposes, the maximum pressure at which injection and  
29 storage of gas is contemplated and a detailed explanation of the  
30 methods to be used or which, theretofore, have been used in

1 drilling, cleaning out, reconditioning and plugging wells in the  
2 storage reservoir. The map and data required to be filed  
3 hereunder shall be amended or supplemented semiannually in case  
4 any material changes have occurred. The department may require a  
5 storage operator to amend or supplement such map or data at more  
6 frequent intervals if material changes have occurred justifying  
7 such earlier filing.

8 (c) Storage operators shall give notice to the department of  
9 the name of each political subdivision and county in which said  
10 operator maintains and operates a gas storage reservoir.

11 (d) At the time of the filing of maps and data and the  
12 filing of amended or supplemental maps or data required by this  
13 section, the person filing the data shall give written notice of  
14 said filing to all persons who may be affected under the  
15 provisions of this act by the storage reservoir described in  
16 such maps or data. Such notices shall contain a description of  
17 the boundaries of such storage reservoir. When a person  
18 operating a coal mine or owning an interest in coal properties  
19 which are or may be affected by the storage reservoir requests,  
20 in writing, a copy of any map or data filed with the department,  
21 such copy shall be furnished by the storage operator.

22 (e) For all purposes of this act, the outside boundaries of  
23 a storage reservoir shall be defined by the location of those  
24 wells around the periphery of the storage reservoir which had no  
25 gas production when drilled in said storage stratum. The  
26 boundaries as thus defined shall be originally fixed or  
27 subsequently changed where, based upon the number and nature of  
28 such wells, and upon the geological and production knowledge of  
29 the storage stratum, its character, permeability, distribution  
30 and operating experience, it is determined in a conference under

1 section 501 that modification should be made.

2 (f) The requirements of this section shall not apply to the  
3 operator of an underground gas storage reservoir so long as said  
4 reservoir is located more than 10,000 linear feet from an  
5 operating coal mine. Such storage operator shall give notice to  
6 the department of the name of each political subdivision and  
7 county in which said operator maintains and operates a gas  
8 storage reservoir. In those political subdivisions and counties  
9 where both gas storage reservoirs and coal mines are being  
10 operated, the department may request the storage operator to  
11 furnish maps showing the geographical location and outside  
12 boundaries of such storage reservoirs. The department shall keep  
13 a record of such information and shall promptly notify the coal  
14 operator and the storage operator when notified by them that the  
15 coal mine and storage reservoir are within 10,000 linear feet of  
16 each other.

17 Section 302. Reporting requirements for coal mining operations.

18 (a) Any person owning or operating a coal mine shall file  
19 with the department a map prepared and sealed by a competent  
20 individual licensed as a professional engineer or professional  
21 land surveyor pursuant to the provisions of the act of May 23,  
22 1945 (P.L.913, No.367), known as the Professional Engineers  
23 Registration Law, showing the outside coal boundaries of the  
24 said operating coal mine, the existing workings and exhausted  
25 areas and the relationship of said boundaries to identifiable  
26 surface properties and landmarks. Any operating coal mine, which  
27 has been penetrated by a well shall furnish a mine map to the  
28 department each year indicating the excavations for the  
29 preceding year and the projections for the ensuing year. Any  
30 person who is storing or contemplating the storage of gas in the

1 vicinity of such operating coal mines shall, upon written  
2 request, be furnished a copy of the aforesaid map by the coal  
3 operator and such person and the department shall, thereafter,  
4 be informed of any boundary changes at the time such changes  
5 occur. The department shall keep a record of such information  
6 and shall promptly notify the coal operator and the storage  
7 operator when notified by them that the coal mine and the  
8 storage reservoir are within 10,000 linear feet of each other.

9 (b) Any person owning or operating any coal mine which is or  
10 which hereafter comes within 10,000 linear feet of a storage  
11 reservoir and where the coal seam being operated extends over  
12 the storage reservoir or the reservoir protective area, shall,  
13 within 45 days after he has notice from the storage operator of  
14 such fact, file with the department and furnish to the person  
15 operating such storage reservoir a map in the form hereinabove  
16 provided and showing, in addition, the existing and projected  
17 excavations and workings of such operating coal mine for the  
18 ensuing 18-month period and, also, the location of any oil or  
19 gas wells of which said coal operator has knowledge. Such person  
20 owning or operating said coal mine shall, each six months  
21 thereafter, file with the department and furnish to the person  
22 operating such storage reservoir a revised map showing any  
23 additional excavations and workings, together with the projected  
24 excavations and workings for the then ensuing 18-month period,  
25 which may be within 10,000 linear feet of said storage  
26 reservoir. The department may require a coal operator to file  
27 such revised map at more frequent intervals if material changes  
28 have occurred justifying such earlier filing. Such person owning  
29 or operating said coal mine shall also file with the department  
30 and furnish the person operating said reservoir prompt notice of

1 any wells which have been cut into, together with all available  
2 pertinent information.

3 (c) Any person owning or operating a coal mine who has  
4 knowledge that it overlies or is within 2,000 linear feet of a  
5 gas storage reservoir shall, within 30 days, notify the  
6 department and the storage operator of such fact.

7 (d) When any person owning or operating a coal mine  
8 hereafter expects that within the ensuing nine-month period,  
9 such coal mine will be extended to a point which will be within  
10 2,000 linear feet of any storage reservoir, he shall notify the  
11 department and the storage operator in writing of such fact.

12 (e) Any person hereafter intending to establish or  
13 reestablish an operating coal mine which, when established or  
14 reestablished, will be over a storage reservoir or within 2,000  
15 linear feet of a storage reservoir or which, upon being  
16 established or reestablished, may, within nine months  
17 thereafter, be expected to be within 2,000 linear feet of a  
18 storage reservoir, shall notify the department and the storage  
19 operator, in writing, before doing so and such notice shall  
20 include the date on which it is intended the operating coal mine  
21 will be established or reestablished. Any person who serves such  
22 notice of an intention to establish or reestablish an operating  
23 coal mine under this subsection, without intending in good faith  
24 to establish or reestablish such mine, shall be liable for  
25 continuing damages to any storage operator injured by the  
26 serving of such improper notice and shall be guilty of a  
27 misdemeanor under this chapter and subject to the same penalties  
28 as set forth in section 505.

29 Section 303. General gas storage reservoir operations.

30 (a) Any person who operates or proposes to operate a storage



1 reservoir, except one that is filled by the secondary recovery  
2 or gas recycling process, shall:

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

7 (2) Plug or recondition in the manner provided in  
8 regulations of the department pursuant to this act all known  
9 wells, except to the extent otherwise provided in subsections  
10 (b) and (c), drilled into or through the storage reservoir.

11 (b) In order to meet the requirements of subsection (a),  
12 wells which are to be plugged shall be plugged in the manner  
13 specified in section 210. When a well located within the storage  
14 reservoir area has been plugged prior to the enactment of this  
15 act and on the basis of the data, information and other evidence  
16 submitted to the department, it is determined that such plugging  
17 was done in the manner required in section 210 or in a manner  
18 approved as an alternative method in accordance with section 211  
19 and the plugging is still sufficiently effective to meet the  
20 requirements of this act, the obligations imposed by subsection  
21 (a) as to plugging the well shall be considered fully satisfied.

22 (c) In order to meet the requirements of subsection (a),  
23 wells which are to be reconditioned shall, unless the department  
24 by regulation specifies a different procedure, be cleaned out  
25 from the surface through the storage horizon and the producing  
26 casing and such other casing strings which are determined not to  
27 be in good physical condition shall be replaced with new casing  
28 using the same procedure as is applicable to drilling a new well  
29 as provided for in this act. In the case of wells to be used for  
30 gas storage, the annular space between each string of casing and

1 the annular space behind the largest diameter casing to the  
2 extent possible shall be filled to the surface with cement or  
3 bentonitic mud or such nonporous material as is approved by the  
4 department pursuant to section 211. At least 15 days prior to  
5 the time when a well is to be reconditioned, the storage  
6 operator shall give notice thereof to the department, setting  
7 forth in such notice the manner in which it is planned to  
8 recondition such well and any pertinent data known to the  
9 storage operator which will indicate the then existing condition  
10 of such well. In addition, the storage operator shall give the  
11 department at least 72 hours' notice of the time when such  
12 reconditioning is to begin. If no objections are raised by the  
13 department within ten days, the storage operator may proceed  
14 with the reconditioning in accordance with the plan as  
15 submitted. If any objections are made by the department, it may  
16 fix a time and place for a conference in accordance with section  
17 501 at which conference the storage operator and the department  
18 shall endeavor to agree upon a plan of reconditioning which  
19 meets the requirements herein and which will satisfy such  
20 objections. If no plan is approved at such conference, the  
21 department may, by an appropriate order, determine whether the  
22 plan as submitted meets the requirements set forth herein or  
23 what changes, if any, should be made to meet such requirements.  
24 If, in reconditioning a well in accordance with said plan,  
25 physical conditions are encountered which justify or necessitate  
26 a change in said plan, the storage operator may request that the  
27 plan be changed. If the request is denied, the department shall  
28 arrange for a conference in accordance with section 501 to  
29 determine the matter in the same manner as set forth herein in  
30 connection with original objections to said plan. Applications

1 may be made to the department in the manner prescribed in  
2 section 211 for approval of an alternative method of  
3 reconditioning a well. When a well located within the storage  
4 reservoir has been reconditioned prior to the enactment of this  
5 chapter or was so drilled and equipped previously and on the  
6 basis of the data, information and other evidence submitted to  
7 the department, it is determined that:

8       (1) Such conditioning or previous drilling and equipping  
9 was done in the manner required in this subsection or in  
10 regulations promulgated hereunder or in a manner approved as  
11 an alternative method in accordance with section 211.

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

20       (d) The requirements of subsection (a) shall not apply to  
21 the injection of gas into any stratum when the sole purpose of  
22 such injection, such purpose being herein referred to as  
23 testing, is to determine whether the said stratum is suitable  
24 for storage purposes. Testing shall be conducted only in  
25 compliance with the following requirements:

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

29       (2) The storage operator shall give at least six months'  
30 written notice to the department of the fact that injection

1 of gas for testing purposes is proposed.

2 (3) If the department shall have any objections, it  
3 shall fix a time and place for a conference in accordance  
4 with section 501, not more than ten days from the date of  
5 notice to the storage operator, at which conference the  
6 storage operator and the department shall attempt to agree on  
7 the questions involved. If such agreement cannot be reached  
8 at such conference, the department may issue an appropriate  
9 order.

10 (e) If, in any proceeding under this act, the department  
11 shall determine that any operator of a storage reservoir has  
12 failed to carry out any lawful order issued under this act, it  
13 shall have authority to require such storage operator to suspend  
14 the operation of such reservoir and to withdraw the gas  
15 therefrom until such violation is remedied. In such an event the  
16 gas shall be withdrawn under the following conditions: the  
17 storage operator shall remove the maximum amount of gas which is  
18 required by the department to be removed from the storage  
19 reservoir that can be withdrawn in accordance with recognized  
20 engineering and operating procedures and shall proceed with due  
21 diligence insofar as existing facilities used to remove gas from  
22 the reservoir will permit.

23 (f) In addition to initial compliance with the other  
24 provisions of this act and any lawful orders issued thereunder,  
25 it shall be the duty, at all times, of the person owning or  
26 operating any storage reservoir which is subject to the  
27 provisions of this chapter, to keep all wells drilled into or  
28 through the storage reservoir in such condition and to operate  
29 the same in such manner as to prevent the escape of gas  
30 therefrom and to operate and maintain such storage reservoir and

1 its facilities in such manner as prescribed by regulation of the  
2 department and at such pressures as will prevent gas from  
3 escaping from such reservoir or its facilities, but in no case  
4 shall such pressure exceed the highest rock pressure found to  
5 have existed during the production history of the reservoir or  
6 such other high pressure as the department may approve after  
7 conference under section 501 based upon geological and  
8 production knowledge of the reservoir, its character,  
9 permeability distribution and operating experience. This duty  
10 shall not be construed to include the inability to prevent the  
11 escape of gas where such escape results from an act of God or an  
12 act of any person not under the control of the storage operator  
13 other than in connection with any well which the storage  
14 operator has failed to locate and to make known to the  
15 department. If any escape of gas does result from an act of God  
16 or an act of any person not under the control of the storage  
17 operator, the storage operator shall be under the duty of taking  
18 such action thereafter as is reasonably necessary to prevent  
19 further escape of gas.

20 Section 304. Gas storage reservoir operations in coal areas.

21 (a) Any person who operates a storage reservoir which  
22 underlies or is within 2,000 linear feet of an operating coal  
23 mine which is operating in a coal seam that extends over the  
24 storage reservoir or the reservoir protective area shall:

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

1           (2) Plug or recondition in the manner provided by  
2     section 210 and subsection (e), all known wells, except to  
3     the extent otherwise provided in subsections (e), (f), (g)  
4     and (h), drilled into or through the storage stratum and  
5     which are located within that portion of the acreage of the  
6     operating coal mine overlying the storage reservoir or the  
7     reservoir protective area, however, where objection is raised  
8     as to the use of any well as a storage well and after a  
9     conference in accordance with section 501, it is determined  
10    by the department, taking into account all the circumstances  
11    and conditions that such well should not be used as a storage  
12    well, such well shall be plugged, unless, in the opinion of  
13    the storage operator, the well to which such objection has  
14    been raised may at some future time be used as a storage  
15    well, the storage operator may recondition and inactivate  
16    such well instead of plugging it if such alternative is  
17    approved by the department after taking into account all of  
18    the circumstances and conditions.

19    The requirements of paragraph (2) shall be deemed to have  
20    been fully complied with if, as the operating coal mine is  
21    extended, all wells which from time to time come within the  
22    acreage described in paragraph (2) are reconditioned or plugged  
23    as provided in subsection (e) or (f) and in section 210 so that  
24    by the time the coal mine has reached a point within 2,000  
25    linear feet of any such wells, they will have been reconditioned  
26    or plugged so as to meet the requirements of subsection (e) or  
27    (f) and of section 210.

28    (b) Any person operating a storage reservoir referred to in  
29    subsection (a) shall file with the department and furnish a copy  
30    to the person operating the affected operating coal mine a

1 verified statement setting forth:

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

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

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

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

12 If such statement is not filed by the storage reservoir  
13 operator within the time specified herein, the department may  
14 order such operator to file such statement.

15 (c) Within 120 days after the receipt of any such statement,  
16 the department may direct that a conference be held in  
17 accordance with section 501 to determine whether the information  
18 as filed indicates that the requirements of section 301 and of  
19 subsection (a) have been fully complied with. At such  
20 conference, if any person shall be of the opinion that such  
21 requirements have not been fully complied with, the parties  
22 shall attempt to agree on what additional things are to be done  
23 and the time within which they are to be completed, subject to  
24 the approval of the department to meet the said requirements.

25 If such agreement cannot be reached, the department shall  
26 determine whether the requirements of section 301 and of  
27 subsection (a) have been met. If the department shall determine  
28 that any of the said requirements have not been met, the  
29 department shall issue an order which shall specify in detail  
30 both the extent to which such requirements have not been met and

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

11 (d) Whenever in compliance with subsection (a), a storage  
12 operator, after the filing of the statement provided for in  
13 subsection (b), plugs or reconditions a well, he shall so notify  
14 the department and the coal operator affected, in writing,  
15 setting forth such facts as will indicate the manner in which  
16 the plugging or reconditioning was done. Upon receipt thereof,  
17 the coal operator affected or the department may request a  
18 conference in accordance with section 501.

19 (e) In order to meet the requirements of subsection (a),  
20 wells which are to be plugged shall be plugged in the manner  
21 specified in regulations promulgated pursuant to section 201.  
22 When a well, located within the storage reservoir or the  
23 reservoir protective area, has been plugged prior to the  
24 enactment of this act and on the basis of the data information  
25 and other evidence submitted to the department, it is determined  
26 that such plugging was done in the manner required in section  
27 210, or in a manner approved as an alternative method in  
28 accordance with section 211, and said plugging is still  
29 sufficiently effective to meet the requirements of this act, the  
30 obligations imposed by subsection (a) as to plugging said well



1 shall be considered fully satisfied.

2 (f) In order to meet the requirements of subsection (a),  
3 wells which are to be reconditioned shall, unless the department  
4 by regulation specifies a different procedure, be cleaned out  
5 from the surface through the storage horizon and the following  
6 casing strings shall be pulled and replaced with new casing,  
7 using the same procedure as is applicable to drilling a new well  
8 as provided for in this act, the producing casing, the largest  
9 diameter casing passing through the lowest workable coal seam  
10 unless such casing extends at least 25 feet below the bottom of  
11 such coal seam and is determined to be in good physical  
12 condition, but the storage operator may, instead of replacing  
13 the largest diameter casing, replace the next largest casing  
14 string if such casing string extends at least 25 feet below the  
15 lowest workable coal seam and such casing strings which are  
16 determined not to be in good physical condition. In the case of  
17 wells to be used for gas storage, the annular space between each  
18 string of casing and the annular space behind the largest  
19 diameter casing to the extent possible, shall be filled to the  
20 surface with cement or bentonitic mud or such equally nonporous  
21 material as is approved by the department pursuant to section  
22 211. At least 15 days prior to the time when a well is to be  
23 reconditioned, the storage operator shall give notice thereof to  
24 the coal operator, lessee or owner and to the department,  
25 setting forth in such notice the manner in which it is planned  
26 to recondition such well and any pertinent data known to the  
27 storage operator which will indicate the then existing condition  
28 of such well. In addition, the storage operator shall give the  
29 coal operator, lessee or owner and the department at least 72  
30 hours' notice of the date and time when reconditioning is to

1 begin. The coal operator, lessee or owner shall have the right  
2 to file, within ten days after the receipt of the first notice  
3 required herein, objections to the plan of reconditioning as  
4 submitted by the storage operator. If no such objections are  
5 filed or if none is raised by the department, within such ten-  
6 day period, the storage operator may proceed with the  
7 reconditioning in accordance with the plan as submitted. If any  
8 such objections are filed or are made by the department, it  
9 shall fix a time and place for a conference in accordance with  
10 section 501, at which conference the storage operator and the  
11 person who has filed such objections shall endeavor to agree  
12 upon a plan of reconditioning which meets the requirements  
13 herein and which will satisfy such objections. If no plan is  
14 approved at such conference, the department shall, by an  
15 appropriate order, determine whether the plan as submitted meets  
16 the requirements set forth herein or what changes, if any,  
17 should be made to meet such requirements. If, in reconditioning  
18 a well in accordance with said plan, physical conditions are  
19 encountered which justify or necessitate a change in said plan,  
20 the storage operator or the coal operator may request that the  
21 plan be changed. If said parties cannot agree upon such change,  
22 the department shall arrange for a conference to determine the  
23 matter in the same manner as set forth herein in connection with  
24 original objections to said plan. Application may be made to the  
25 department in the manner prescribed in section 211 for approval  
26 of an alternative method of reconditioning a well. When a well  
27 located within the storage reservoir or the reservoir protective  
28 area has been reconditioned prior to the enactment of this act,  
29 or was so drilled and equipped previously and on the basis of  
30 the data, information and other evidence submitted to the

1 department, it is determined that:

2 (1) Such reconditioning or previous drilling and  
3 equipping was done in the manner required in this subsection,  
4 or in regulations promulgated hereunder, or in a manner  
5 approved as an alternative method in accordance with section  
6 211.

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

15 (g) When a well located within the reservoir protective area  
16 is a producing well in a stratum below the storage stratum, the  
17 obligations imposed by subsection (a) shall not begin until such  
18 well ceases to be a producing well.

19 (h) When a well within a storage reservoir or the reservoir  
20 protective area penetrates the storage stratum but does not  
21 penetrate the coal seam being mined by an operating coal mine,  
22 the department may, upon application of the operator of such  
23 storage reservoir, exempt such well from the requirements of  
24 this section. Either party affected may request a conference  
25 with respect to the exemption of any such well in accordance  
26 with section 501.

27 (i) In fulfilling the requirements of subsection (a)(2) with  
28 respect to a well within the reservoir protective area, the  
29 storage operator shall not be required to plug or recondition  
30 such well until he has received from the coal operator written

1 notice that the mine workings will, within the period stated in  
2 such notice, be within 2,000 linear feet of such well. Upon the  
3 receipt of such notice, the storage operator shall use due  
4 diligence to complete the plugging or reconditioning of such  
5 well in accordance with the requirements of this section and of  
6 section 210. If the said mine workings do not, within a period  
7 of three years after said well has been plugged, come within  
8 2,000 linear feet of said well, the coal operator shall  
9 reimburse the storage operator for the cost of said plugging,  
10 provided such well is still within the reservoir protective area  
11 as of that time.

12 (j) When retreat mining approaches a point, where within 90  
13 days, it is expected that such retreat work will be at the  
14 location of the pillar surrounding an active storage well, the  
15 coal operator shall give written notice of such approach to the  
16 storage operator and by agreement said parties shall determine  
17 whether it is necessary or advisable to inactivate effectively  
18 said well temporarily. The well shall not be reactivated until a  
19 reasonable period has elapsed, such reasonable period to be  
20 determined by said parties. In the event that said parties  
21 cannot agree upon either of the foregoing matters, such question  
22 shall be submitted to the department for a decision. The number  
23 of wells required to be temporarily inactivated during the  
24 retreat period shall not be such as to materially affect the  
25 efficient operation of such storage pool. This provision shall  
26 not preclude the temporary inactivation of a particular well  
27 where the practical effect of inactivating such well is to  
28 render the pool temporarily inoperative.

29 (k) The requirements of subsections (a), (l) and (m) shall  
30 not apply to the injection of gas into any stratum when the

1 whole purpose of such injection, such purpose being herein  
2 referred to as testing, is to determine whether the said stratum  
3 is suitable for storage purposes. Testing shall be conducted  
4 only in compliance with the following requirements:

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

8 (2) If any part of the proposed storage reservoir is  
9 under or within 2,000 linear feet of an operating coal mine  
10 which is operating in a coal seam that extends over the  
11 proposed storage reservoir or the reservoir protective area,  
12 the storage operator shall give at least six months' written  
13 notice to the department and to the coal operator of the fact  
14 that injection of gas for testing purposes is proposed.

15 (3) The coal operator affected may, at any time, file  
16 objections with the department and the department shall fix a  
17 time and place for a conference in accordance with section  
18 501, not more than ten days from the date of the notice to  
19 the storage operator, at which conference the storage  
20 operator and the person who has filed such objections shall  
21 attempt to agree, subject to the approval of the department,  
22 on the questions involved. If such agreement cannot be  
23 reached at such conference, the department may issue an  
24 appropriate order.

25 (4) Where, at any time, a proposed storage reservoir  
26 being tested comes under or within 2,000 linear feet of an  
27 operating coal mine, either because of the extension of the  
28 storage reservoir being tested or because of the extension or  
29 establishment or reestablishment of the operating coal mine,  
30 then and at the time of any such event, the requirements of

1       this subsection shall become applicable to such testing.

2       (1) Any person who proposes to establish a storage reservoir  
3 under or within 2,000 linear feet of an operating coal mine  
4 which is operating in a coal seam that extends over the storage  
5 reservoir or the reservoir protective area shall, prior to  
6 establishing such reservoir in addition to complying with the  
7 requirements of section 301 and subsection (a), file the  
8 verified statement required by subsection (b) and fully comply  
9 with such order or orders, if any, as the department may issue  
10 in the manner provided for under subsection (b) or (c) before  
11 beginning the operation of such storage reservoir. After the  
12 person proposing to operate such storage reservoir shall have  
13 complied with such requirements and shall have thereafter begun  
14 to operate such reservoir, he shall continue to be subject to  
15 all of the provisions of this chapter.

16       (m) When a gas storage reservoir is in operation on the  
17 effective date of this act and at any time thereafter, it is  
18 under or within 2,000 linear feet of an operating coal mine, or,  
19 when a gas storage reservoir is put in operation after the  
20 effective date of this act and at any time after such storage  
21 operations begin, it is under or within 2,000 linear feet of an  
22 operating coal mine, then and in either such event, the storage  
23 operator shall comply with all of the provisions of this  
24 section, except that the time for filing the verified statement  
25 under subsection (b) shall be 60 days after the date stated in  
26 the notice filed by the coal operator under section 302(d) and  
27 (e), the coal operator shall give notice of such delay to the  
28 department and the department shall, upon the request of the  
29 storage operator, extend the time for filing such statement by  
30 the additional time which will be required to extend or

1 establish or reestablish such operating coal mine to a point  
2 within 2,000 linear feet of such reservoir. Such verified  
3 statement shall also indicate that the map referred to in  
4 section 301(a) has been currently amended as of the time of the  
5 filing of such statement. The person operating any such storage  
6 reservoir shall continue to be subject to all of the provisions  
7 of this chapter.

8 (n) If, in any proceeding under this act, the department  
9 shall determine that any operator of a storage reservoir has  
10 failed to carry out any lawful order issued under this act, the  
11 department shall have authority to require such storage operator  
12 to suspend the operation of such reservoir and to withdraw the  
13 gas therefrom until such violation is remedied. In such an  
14 event, the gas shall be withdrawn under the following  
15 conditions: the storage operator shall remove the maximum amount  
16 of gas which is required by the department to be removed from  
17 the storage reservoir that can be withdrawn in accordance with  
18 recognized engineering and operating procedures and shall  
19 proceed with due diligence insofar as existing facilities used  
20 to remove gas from the reservoir will permit.

21 (o) In addition to initial compliance with the other  
22 provisions of this act and any lawful orders issued thereunder,  
23 it shall be the duty, at all times, of the person owning or  
24 operating any storage reservoir which is subject to the  
25 provisions of this chapter, to keep all wells drilled into or  
26 through the storage stratum in such condition and to operate the  
27 wells in such manner as to prevent the escape of gas out of the  
28 storage reservoir and its facilities and to operate and maintain  
29 such storage reservoir and its facilities in such manner as  
30 prescribed by regulation of the department and at such pressures

1 as will prevent gas from escaping from such reservoir or its  
2 facilities. This duty shall not be construed to include the  
3 inability to prevent the escape of gas where such escape results  
4 from an act of God or an act of any person not under the control  
5 of the storage operator other than in connection with any well  
6 which the storage operator has failed to locate and to make  
7 known to the department. If any escape of gas does result from  
8 an act of God or an act of any person not under the control of  
9 the storage operator, the storage operator shall be under the  
10 duty of taking such action thereafter as is reasonably necessary  
11 to prevent further escape of gas out of the storage reservoir  
12 and its facilities.

13 Section 305. Inspection of facilities and records.

14 (a) The person operating any storage reservoir affected by  
15 the terms of this act shall, at all reasonable times, be  
16 permitted to inspect the applicable records and facilities of  
17 any coal mine overlying such storage reservoir or the reservoir  
18 protective area and the person operating any such coal mine  
19 affected by the terms of this act shall, similarly at all  
20 reasonable times, be permitted to inspect the applicable records  
21 and facilities of any such storage reservoir underlying any such  
22 coal mine.

23 (b) In the event that either such storage operator or coal  
24 operator shall refuse to permit any such inspection of records  
25 or facilities, the department may, on its own motion or on  
26 application of the party seeking the inspection after reasonable  
27 written notice and a hearing thereon, if requested by either of  
28 the parties affected, make an order for such inspection.

29 Section 306. Reliance on maps; burden of proof.

30 (a) In determining whether a particular coal mine or



1 operating coal mine is or will be within any distance material  
2 under this act from any storage reservoir, the owner or operator  
3 of such coal mine and the storage operator may rely on the most  
4 recent map of the storage reservoir or coal mine filed by the  
5 other with the department.

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

17 Section 307. Exemptions.

18 (a) The provisions of this chapter shall not apply to the  
19 following types of coal mines:

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

22 (2) Mines to which the provisions of the act of June 9,  
23 1911 (P.L.756, No.319), entitled "An act to provide for the  
24 health and safety of persons employed in and about the  
25 bituminous coal-mines of Pennsylvania, and for the protection  
26 and preservation of property connected therewith," did not  
27 apply as provided in section 3 of Article XXVIII thereof, and  
28 mines to which the provisions of the act of June 2, 1891  
29 (P.L.176, No.177), entitled "An act to provide for the health  
30 and safety of persons employed in and about the anthracite

1 coal mines of Pennsylvania and for the protection and  
2 preservation of property connected therewith," did not apply  
3 as provided in section 1 of Article I thereof.

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

9 (c) Nothing contained in this chapter shall apply to the  
10 storage of gas or liquids in storage reservoirs excavated in  
11 rock formations specifically for storage purposes.

#### 12 CHAPTER 4

#### 13 EMINENT DOMAIN

14 Section 401. Appropriation of interest in real properties.

15 (a) Any and all corporations empowered to transport, sell or  
16 store, natural or manufactured gas, within this Commonwealth,  
17 shall have the right, subject to the following limitations, to  
18 appropriate interests in real property located within the  
19 storage reservoir and the reservoir protective area, for the  
20 injection, storage and removal from storage of natural or  
21 manufactured gas in any stratum which is or previously has been  
22 commercially productive of natural gas. The right of eminent  
23 domain shall not be exercised to acquire for the purpose of gas  
24 storage:

25 (1) any interest in any geological stratum within the  
26 area of the proposed storage reservoir and the reservoir  
27 protective area, unless the original recoverable oil or gas  
28 reserves within such proposed storage reservoir have been  
29 depleted or exhausted by at least 80% and unless and until  
30 the condemnor shall have acquired the right by grant, lease

1 or other agreement to store gas in the said geological  
2 stratum underlying at least 75% of the area of the proposed  
3 storage reservoir; or

4 (2) any interest in any geological stratum within the  
5 area of the proposed storage reservoir and the reservoir  
6 protective area owned directly or indirectly by a gas company  
7 or by a person engaged in the local distribution of natural  
8 gas which interest is being used by such gas company or by  
9 such person for present storage of gas in the performance of  
10 service to customers within its service area.

11 (b) This act shall be construed to authorize appropriation  
12 within the storage reservoir and the reservoir protective area  
13 of the stratum to be used for storage, any gas reserve remaining  
14 therein and any active or abandoned well or wells drilled into  
15 said stratum and further to authorize the appropriation within  
16 the storage reservoir and the reservoir protective area of the  
17 right to enter upon and use the surface of lands for the purpose  
18 of locating, reconditioning, maintaining, plugging or replugging  
19 any active or abandoned wells or operating any wells drilled  
20 into or through said storage stratum. This act shall not be  
21 construed, however, to preclude the owner of nonstorage strata  
22 from the drilling of wells for the purpose of producing oil or  
23 gas from any stratum above or below the storage stratum  
24 appropriated by such corporation, but the corporation  
25 appropriating or holding storage rights shall have access to and  
26 the right to inspect and examine any such drilling or completed  
27 well and the drilling logs and all other records relating to the  
28 drilling, equipping or operating of such well for the purpose of  
29 determining whether the storage stratum is being adequately  
30 protected to prevent the escape of gas stored therein. This act

1 shall not authorize the appropriation of any coal or coal  
2 measure whether or not being mined or any interest therein.

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

13 (d) Prior to any appropriation, the corporation shall  
14 attempt to agree with the owner or owners of the interests in  
15 real property involved as to the damage properly payable for the  
16 property rights or interests to be appropriated in or on his,  
17 her or their property, if such owner or owners can be found and  
18 are sui juris. Failing to agree, the corporation shall tender to  
19 the property owner or owners a surety bond to secure him, he or  
20 them in the payment of damages. If the owner or owners refuse to  
21 accept said bond or cannot be found or are not sui juris, said  
22 bond, after reasonable notice to the property owner or owners by  
23 advertisement or otherwise, shall then be presented for approval  
24 to the court of common pleas of the county in which the tract of  
25 land is situated. Upon the approval of the bond and its being  
26 filed in said court, the right of the corporation to enter upon  
27 the enjoyment of the powers given it by this act to store gas  
28 and to enter on the property for the purpose of locating,  
29 reconditioning, maintaining, plugging or replugging any active  
30 or abandoned wells or operating any wells drilled into or

1 through said storage stratum within the storage reservoir  
2 boundary or within the reservoir protective area shall be  
3 complete.

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

14 (f) Either party may appeal from the report of the viewers  
15 within 20 days after the filing thereof with the court of common  
16 pleas and have a jury trial and the right of appeal as in  
17 ordinary cases.

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

## 21 CHAPTER 5

### 22 ENFORCEMENT AND REMEDIES

23 Section 501. Conferences.

24 (a) The department or any person having a direct interest in  
25 the subject matter of this act may, at any time, request that a  
26 conference be held for the purpose of discussing and endeavoring  
27 to resolve by mutual agreement any matter arising under the  
28 provisions of this act. Unless otherwise provided, conferences  
29 shall be held within 90 days after a request for a conference is  
30 received by the department, and notice of any such conference

1 shall be given by the department to all such interested parties.  
2 At such conference a representative of the department shall be  
3 in attendance and the department may make such recommendations  
4 as it deems appropriate. Any agreement reached at such  
5 conference shall be consistent with the requirements of this act  
6 and, if approved by such representative of the department, it  
7 shall be reduced to writing and shall be effective, unless  
8 reviewed and rejected by the department within ten days after  
9 the close of the conference. The record of any such agreement  
10 approved by the department shall be kept on file by the  
11 department with copies furnished to the parties. Scheduling of a  
12 conference shall not affect the authority of the department to  
13 issue an appropriate order to compel compliance with this act.

14 (b) Whenever a coal operator is to be given notice by the  
15 department of any proceeding to be held under this section, the  
16 department shall also send simultaneously a copy of such notice  
17 to the collective bargaining representative of the employees of  
18 the coal operator.

19 Section 502. Public nuisances.

20 ~~An abandoned, unplugged well is hereby declared to constitute a~~ <—  
21 ~~public nuisance.~~

22 ANY VIOLATION OF THE PROVISIONS OF THIS ACT, ANY RULE OR <—  
23 REGULATION OF THE DEPARTMENT, ANY ORDER OF THE DEPARTMENT OR ANY  
24 TERM OR CONDITION OF ANY PERMIT RELATING TO THE CASING OF WELLS,  
25 PLUGGING OF WELLS, WELL-SITE RESTORATION, USE OF SAFETY DEVICES  
26 OR THE PROTECTION OF WATER SUPPLIES SHALL CONSTITUTE A PUBLIC  
27 NUISANCE. ANY PERSON COMMITTING SUCH A VIOLATION SHALL BE LIABLE  
28 FOR THE COSTS OF ABATEMENT OF ANY POLLUTION AND ANY PUBLIC  
29 NUISANCE CAUSED BY SUCH VIOLATION. THE ENVIRONMENTAL HEARING  
30 BOARD AND ANY COURT OF COMPETENT JURISDICTION IS HEREBY GIVEN

1 JURISDICTION OVER ACTIONS TO RECOVER THE COSTS OF SUCH  
2 ABATEMENT.

3 Section 503. Enforcement orders.

4 The department may issue ~~orders to such persons as it deems~~ <—  
5 SUCH ORDERS AS ARE necessary to aid in the enforcement of the <—  
6 provisions of this act. SUCH ORDERS SHALL INCLUDE, BUT NOT BE <—  
7 LIMITED TO, ORDERS MODIFYING, SUSPENDING OR REVOKING PERMITS AND  
8 ORDERS REQUIRING PERSONS TO CEASE UNLAWFUL ACTIVITIES OR  
9 OPERATIONS AT A FACILITY WHICH IS IN VIOLATION OF ANY PROVISION  
10 OF THIS ACT, ANY RULE OR REGULATION OF THE DEPARTMENT OR ANY  
11 TERMS OR CONDITIONS OF A PERMIT ISSUED UNDER THIS ACT. An order  
12 issued under this act shall take effect upon notice, unless the  
13 order specifies otherwise. The power of the department to issue  
14 an order under this act is in addition to any other remedy which  
15 may be afforded to the department pursuant to this act or any  
16 other act.

17 Section 504. Restraining violations.

18 (a) In addition to any other remedies provided in this act,  
19 the department may institute a suit in equity in the name of the  
20 Commonwealth where a violation of law or nuisance exists for an  
21 injunction to restrain a violation of this act or the rules,  
22 regulations, standards or orders adopted or issued thereunder  
23 and to restrain the maintenance or threat of a public nuisance.  
24 In any such proceeding, the court shall, upon motion of the  
25 Commonwealth, issue a prohibitory or mandatory preliminary  
26 injunction if it finds that the defendant is engaging in  
27 unlawful conduct as defined by this act or is engaged in conduct  
28 which is causing immediate and irreparable harm to the public.  
29 The Commonwealth shall not be required to furnish bond or other  
30 security in connection with such proceedings. In addition to an

1 injunction, the court in such equity proceedings, may level  
2 civil penalties as specified in section 506.

3 (b) In addition to any other remedies provided for in this  
4 act, upon relation of any district attorney of any county  
5 affected, or upon relation of the solicitor of any municipality  
6 affected, an action in equity may be brought in a court of  
7 competent jurisdiction for an injunction to restrain any and all  
8 violations of this act or the rules and regulations promulgated  
9 hereunder, or to restrain any public nuisance or detriment to  
10 health.

11 (c) The penalties and remedies prescribed by this act shall  
12 be deemed concurrent and the existence of or exercise of any  
13 remedy shall not prevent the department from exercising any  
14 other remedy hereunder, at law or in equity.

15 (d) Actions instituted under this section may be filed in  
16 the appropriate court of common pleas or in the Commonwealth  
17 Court, which courts are hereby granted jurisdiction to hear such  
18 actions.

19 Section 505. Penalties.

20 (a) Any person who violates any provisions of the act is  
21 guilty of a summary offense and, upon conviction thereof, shall  
22 be sentenced to pay a fine of not more than \$300 or undergo  
23 imprisonment of not more than 90 days, or both. Each day's  
24 continuance of such violation shall be a separate and distinct  
25 offense.

26 (b) Any person who willfully violates any provisions of this  
27 act or any order of the department issued pursuant to the  
28 provisions of this act is guilty of a misdemeanor and, upon  
29 conviction thereof, shall be sentenced to pay a fine of not more  
30 than \$5,000, or undergo imprisonment of not more than one year,



1 or both. Each day's continuance of such violation shall be a  
2 separate distinct offense.

3 (C) THE DEPARTMENT SHALL HAVE THE POWER AND ITS DUTY SHALL <—  
4 BE TO INSTITUTE PROSECUTIONS AGAINST ANY PERSON OR MUNICIPALITY  
5 UNDER THIS ACT.

6 Section 506. Civil penalties.

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

1 each prothonotary to enter and docket the same of record in his  
2 office and to index the same as judgments are indexed, without  
3 requiring the payment of costs as a condition precedent to the  
4 entry thereof.

5 Section 507. Existing rights and remedies preserved;  
6 cumulative remedies authorized.

7 Nothing in this act shall be construed as estopping the  
8 Commonwealth or any district attorney from proceeding in courts  
9 of law or equity to abate pollution forbidden under this act or  
10 abate nuisances under existing law. It is hereby declared to be  
11 the purposes of this act to provide additional and cumulative  
12 remedies to control activities related to drilling for or  
13 production of oil and gas within the Commonwealth and nothing  
14 contained in this act shall in any way abridge or alter rights  
15 of action or remedies now or hereafter existing in equity, or  
16 under the common law or statutory law, criminal or civil, nor  
17 shall any provision in this act, or the granting of any permit  
18 under this act, or any act done by virtue of this act, be  
19 construed as estopping the Commonwealth in the exercise of its  
20 rights under the common law or decisional law or in equity, from  
21 proceeding in courts of law or equity to suppress nuisances, or  
22 to abate any pollution now or hereafter existing or to enforce  
23 common law or statutory rights. No courts of this Commonwealth  
24 having jurisdiction to abate public or private nuisances shall  
25 be deprived of such jurisdiction in any action to abate any  
26 private or public nuisance instituted by any person for the  
27 reasons that such nuisance constitutes air or water pollution.

28 Section 508. Production of materials; witnesses; depositions;  
29 rights of entry.

30 (a) The department is authorized to make such inspections,

1 conduct such tests or sampling, or examine books, papers and  
2 records pertinent to any matter under investigation pursuant to  
3 this act as it deems necessary to determine compliance with this  
4 act and for this purpose, the duly authorized agents and  
5 employees of the department are authorized at all reasonable  
6 times to enter and examine any property, facility, operation or  
7 activity.

8 (b) The owner, operator or other person in charge of such  
9 property, facility, operation or activity, upon presentation of  
10 proper identification and purpose for inspection by the agents  
11 or employees of the department, shall give such agents and  
12 employees free and unrestricted entry and access, and upon  
13 refusal to grant such entry or access, the agent or employee may  
14 obtain a search warrant or other suitable order authorizing such  
15 entry and inspection. It shall be sufficient probable cause to  
16 issue a search warrant authorizing such examination and  
17 inspection if there is probable cause to believe that the object  
18 of the investigation is subject to regulation under this act,  
19 and access, examination or inspection is necessary to enforce  
20 the provisions of this act.

21 (c) The department shall have the power in any part of the  
22 Commonwealth to subpoena witnesses, to administer oaths, examine  
23 witnesses or to take such testimony or compel the production of  
24 such books, records, maps, plats, papers, documents and other  
25 writings as it may deem necessary or proper in and pertinent to  
26 any proceedings or investigation held or had by it. In case of  
27 refusal to obey any subpoena served upon any person, any court  
28 shall, on application of the department, have power to enforce  
29 such subpoenas in contempt proceedings. The fees for serving a  
30 subpoena shall be the same as those paid sheriffs for similar

1 services.

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

6 (e) Witnesses who are summoned before the department shall  
7 be paid the same fees as are paid to witnesses in the courts of  
8 record of general jurisdiction. Witnesses whose depositions are  
9 taken pursuant to the provisions of this act and the officers  
10 taking the same shall be entitled to the same fees as are paid  
11 for like services in such courts.

12 Section 509. Unlawful conduct.

13 It shall be unlawful for any person to:

14 (1) Drill, alter, operate or utilize an oil or gas well  
15 without a permit from the department as required by this act  
16 or in violation of the rules or regulations adopted under  
17 this act, or orders of the department, or in violation of any  
18 term or condition of any permit issued by the department.

19 (2) Conduct any activities related to drilling for, or  
20 production of, oil and gas, contrary to the rules or  
21 regulations adopted under this act, or orders of the  
22 department, or any term or any condition of any permit, or in  
23 any manner as to create a public nuisance or to adversely  
24 affect the public health, safety, welfare or the environment.

25 (3) Refuse, obstruct, delay or threaten any agent or  
26 employee of the department in the course of performance of  
27 any duty under this act including, but not limited to, entry  
28 and inspection under any circumstances.

29 (4) Attempt to obtain a permit by misrepresentation or  
30 failure to disclose all relevant facts.

1 Section 510. Collection of fines and penalties.

2 All fines and penalties shall be collectible in any manner  
3 provided by law for the collection of debts. If any person  
4 liable to pay any such penalty neglects or refuses to pay the  
5 same after demand, the amount together with interest and any  
6 costs that may accrue, shall be a judgment in favor of the  
7 Commonwealth upon the property of such person, but only after  
8 same has been entered and docketed of record by the prothonotary  
9 of the county where such property is situated. The department  
10 may, at any time, transmit to the prothonotaries of the  
11 respective counties certified copies of all judgments and it  
12 shall be the duty of each prothonotary to enter and docket the  
13 same of record in his office and to index the same as judgments  
14 are indexed, without requiring the payment of costs as a  
15 condition precedent to the entry thereof.

16 Section 511. Third party liability.

17 Where a person other than the well operator as herein  
18 defined, renders a service or product to a well or well site,  
19 that person shall be jointly and severally liable with the well  
20 owner or operator for violations of this act arising out of and  
21 caused by his actions at the well or well site.

22 CHAPTER 6

23 MISCELLANEOUS PROVISIONS

24 Section 601. Well Plugging Restricted Revenue Account AND <—  
25 WATER PROTECTION AND TREATMENT FUND.

26 (A) All fines, civil penalties, permit and registration fees <—  
27 collected under this act shall be paid into the State Treasury  
28 into a restricted revenue account to be known as the Well  
29 Plugging Restricted Revenue Account, hereby established, which  
30 shall be administered by the department for the plugging and

1 sealing of abandoned wells and to cover the purposes of  
2 administering this act. All the moneys from time to time paid  
3 into the Well Plugging Restricted Revenue Account are  
4 specifically appropriated ~~upon annual approval by the Governor~~ <—  
5 ANNUALLY to the Department of Environmental Resources to carry <—  
6 out the purposes of this act. To aid in the indemnification of  
7 the Commonwealth for the cost of plugging abandoned wells, there  
8 shall be added to the permit fee established by the department  
9 under section 201 for new wells a ~~\$50~~ \$25 surcharge. All moneys <—  
10 deposited in this restricted revenue account from the surcharge  
11 shall be expended by the department to plug abandoned wells  
12 which threaten the health and safety of persons or property or  
13 pollution of the waters of the Commonwealth.

14 (B) THERE SHALL ALSO BE ADDED TO THE PERMIT FEE ESTABLISHED <—  
15 BY THE DEPARTMENT UNDER SECTION 201 FOR NEW WELLS A \$25 FEE,  
16 BEGINNING ON JANUARY 1 OF THE YEAR FOLLOWING ENACTMENT OF THIS  
17 ACT. THESE MONEYS SHALL BE PLACED IN A SPECIAL FUND TO BE KNOWN  
18 AS THE WATER PROTECTION AND TREATMENT FUND. THE FUND MAY ONLY BE  
19 UTILIZED IN THE PROTECTION AND TREATMENT OF WATER SUPPLIES WHICH  
20 WERE OR ARE POLLUTED OR AFFECTED BY OIL AND GAS DRILLING  
21 ACTIVITIES. THIS FEE SHALL BE SEPARATE FROM AND NOT INCLUDED IN  
22 ANY OTHER TAXES, FEES OR CHARGES LEVIED ON GAS OR OIL  
23 PRODUCTION. UPON THIS FUND ACCUMULATING \$3,000,000, THE \$25 FEE  
24 SHALL BE PLACED INTO THE WELL PLUGGING RESTRICTED REVENUE  
25 ACCOUNT FOR THE PURPOSE OF AIDING IN THE PLUGGING OF ABANDONED  
26 WELLS.

27 Section 602. Local ordinances.

28 Except with respect to ordinances adopted pursuant to the act  
29 of July 31, 1968 (P.L.805, No.247), known as the Pennsylvania  
30 Municipalities Planning Code and the act of October 4, 1978

1 (P.L.851, No.166), known as the Flood Plain Management Act, all  
2 local ordinances and enactments purporting to regulate oil and  
3 gas well operations regulated by this act are hereby superseded.  
4 The Commonwealth, by this enactment, hereby preempts the  
5 regulation of oil and gas wells as herein defined.

6 Section 603. Effect on department authority.

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

15 Section 604. Regulatory authority.

16 The Environmental Quality Board shall adopt regulations to  
17 implement the provisions of this act.

18 Section 605. Severability.

19 The provisions of this act are severable. If any provision of  
20 this act or its application to any person or circumstances is  
21 held invalid, the invalidity shall not affect other provisions  
22 or applications of this act which can be given effect without  
23 the invalid provision or application.

24 Section 606. Repeals.

25 (a) The act of November 30, 1955 (P.L.756, No.225), known as  
26 the Gas Operations Well-Drilling Petroleum and Coal Mining Act,  
27 is repealed, except as to sections 204 and 206 which shall  
28 remain in effect until final regulations specifying methods of  
29 casing and plugging wells are adopted by the Environmental  
30 Quality Board pursuant to this act.

1       (b) All other acts and parts of acts are repealed insofar as  
2 they are inconsistent with this act.

3 Section 607. Effective date.

4       This act shall take effect in 60 days.