

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 3013 Session of
2002

INTRODUCED BY HANNA, GEORGE, KELLER, LEVDANSKY, MELIO, MUNDY,
SHANER, SATHER, SOLOBAY, STABACK, THOMAS, TIGUE, G. WRIGHT
AND YOUNGBLOOD, NOVEMBER 27, 2002

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
NOVEMBER 27, 2002

AN ACT

1 Amending the act of December 19, 1984 (P.L.1140, No.223),
2 entitled "An act relating to the development of oil and gas
3 and coal; imposing duties and powers on the Department of
4 Environmental Resources; imposing notification requirements
5 to protect landowners; and providing for definitions, for
6 various requirements to regulate the drilling and operation
7 of oil and gas wells, for gas storage reservoirs, for various
8 reporting requirements, including certain requirements
9 concerning the operation of coal mines, for well permits, for
10 well registration, for distance requirements, for well casing
11 requirements, for safety device requirements, for storage
12 reservoir obligations, for well bonding requirements, for a
13 Well Plugging Restricted Revenue Account to enforce oil and
14 gas well plugging requirements, for the creation of an Oil
15 and Gas Technical Advisory Board, for oil and gas well
16 inspections, for enforcement and for penalties," providing
17 for securing compensation for surface damage.

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

20 Section 1. The act of December 19, 1984 (P.L.1140, No.223),
21 known as the Oil and Gas Act, is amended by adding a section to
22 read:

23 Section 512. Procedure for securing compensation for damage to
24 surface landowner's property caused by oil or gas

1 drilling or exploration; duties of the
2 department.

3 (a) A surface landowner who believes that the drilling, well
4 installation or exploration for oil or gas has caused damage to
5 any structure, surface ground or vegetation on his property and
6 who wishes compensation for any damage including compensation
7 for the loss of use of his property, shall notify the owner of
8 the drill, well operator or oil or gas explorer. If the owner of
9 the drill, well operator or oil or gas explorer agrees that oil
10 or gas drilling, well installation or exploration damaged such
11 structure, ground or vegetation, he shall compensate the surface
12 landowner for the damage or reach an agreement either prior to
13 drilling or exploration or after the damage has occurred.

14 (b) If the parties are unable to agree within six months of
15 the date of notice as to the cause of the damage or the
16 reasonable cost of compensation, the surface landowner may file
17 a claim in writing with the department, a copy of which shall be
18 filed within two years of the date damage to the building,
19 surface ground, trees or vegetation occurred.

20 (c) The department shall make an investigation of a claim
21 within 30 days of the receipt of the claim. The department
22 shall, within 60 days following the investigation, make a
23 determination in writing as to whether the drilling, well
24 installation or exploration of oil or gas caused the damage and,
25 if so, the reasonable cost of repairing or replacing the damage,
26 including the reasonable cost of the loss of use to the surface
27 landowner's property. If the department finds the damage to be
28 caused by drilling or exploration, it shall issue a written
29 order directing the owner of the drill, well operator or oil or
30 gas explorer to make repairs within six months or a longer

1 period if the department finds that occurrence of subsequent
2 damage may occur to the same building as a result of drilling or
3 exploration.

4 (d) In no event shall the owner, well operator or oil or gas
5 explorer be liable for repairs or compensation in an amount
6 exceeding the cost of replacement of the damaged structure,
7 ground or vegetation, including the cost of loss of use to the
8 property. The surface landowner shall also be entitled to
9 additional payment for reasonable, incidental costs agreed to by
10 the parties or approved by the department.

11 (e) If the owner of the drill, well operator or oil or gas
12 explorer fails to repair or compensate for any damage within six
13 months or a longer period as the department has established or
14 fails to perfect an appeal of the department's order directing
15 repair or compensation, the department shall issue an order and
16 take any actions that are necessary to compel compliance with
17 the requirements of this section, including, but not limited, to
18 a cessation order or a permit revocation.

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