

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2227 Session of
2008

INTRODUCED BY HANNA, BELFANTI, CONKLIN, DENLINGER, DONATUCCI,
GEORGE, GODSHALL, GRUCELA, HERSHEY, JAMES, KORTZ, MAHONEY,
READSHAW, K. SMITH, SOLOBAY, THOMAS, J. WHITE AND WOJNAROSKI,
FEBRUARY 5, 2008

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
FEBRUARY 5, 2008

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," further
17 providing for the definition of "department"; and providing
18 for securing compensation for surface damage.

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

21 Section 1. The definition of "department" in section 103 of
22 the act of December 19, 1984 (P.L.1140, No.223), known as the
23 Oil and Gas Act, is amended to read:

24 Section 103. Definitions.

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

4 * * *

5 "Department." The Department of Environmental [Resources]
6 Protection of the Commonwealth.

7 * * *

8 Section 2. The act is amended by adding a section to read:

9 Section 512. Procedure for securing compensation for damage to
10 surface landowner's property caused by oil or gas
11 drilling or exploration; duties of the
12 department.

13 (a) A surface landowner who believes that the drilling, well
14 installation or exploration for oil or gas has caused damage to
15 any structure, surface ground or vegetation on his property and
16 who wishes compensation for any damage, including compensation
17 for the loss of use of his property, shall notify the owner of
18 the drill, well operator or oil or gas explorer. If the owner of
19 the drill, well operator or oil or gas explorer agrees that oil
20 or gas drilling, well installation or exploration damaged such
21 structure, ground or vegetation, he shall compensate the surface
22 landowner for the damage or reach an agreement either prior to
23 drilling or exploration or after the damage has occurred.

24 (b) If the parties are unable to agree within six months of
25 the date of notice as to the cause of the damage or the
26 reasonable cost of compensation, the surface landowner may file
27 a claim in writing with the department, a copy of which shall be
28 filed within two years of the date damage to the building,
29 surface ground, trees or vegetation occurred.

30 (c) The department shall make an investigation of a claim

1 within 30 days of the receipt of the claim. The department
2 shall, within 60 days following the investigation, make a
3 determination in writing as to whether the drilling, well
4 installation or exploration of oil or gas caused the damage and,
5 if so, the reasonable cost of repairing or replacing the damage,
6 including the reasonable cost of the loss of use to the surface
7 landowner's property. If the department finds the damage to be
8 caused by drilling or exploration, it shall issue a written
9 order directing the owner of the drill, well operator or oil or
10 gas explorer to make repairs within six months or a longer
11 period if the department finds that occurrence of subsequent
12 damage may occur to the same building as a result of drilling or
13 exploration.

14 (d) In no event shall the owner, well operator or oil or gas
15 explorer be liable for repairs or compensation in an amount
16 exceeding the cost of replacement of the damaged structure,
17 ground or vegetation, including the cost of loss of use to the
18 property. The surface landowner shall also be entitled to
19 additional payment for reasonable, incidental costs agreed to by
20 the parties or approved by the department.

21 (e) If the owner of the drill, well operator or oil or gas
22 explorer fails to repair or compensate for any damage within six
23 months or a longer period as the department has established or
24 fails to perfect an appeal of the department's order directing
25 repair or compensation, the department shall issue an order and
26 take any actions that are necessary to compel compliance with
27 the requirements of this section, including, but not limited to,
28 a cessation order or a permit revocation.

29 Section 3. This act shall take effect in 60 days.