THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1975 Session of 2011

INTRODUCED BY GABLER, CREIGHTON, GROVE, HARHART, KAUFFMAN, MAHER, MUNDY, QUINN, STEPHENS, WAGNER AND YOUNGBLOOD, NOVEMBER 3, 2011

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY, NOVEMBER 3, 2011

AN ACT

- Amending the act of December 19, 1984 (P.L.1140, No.223), entitled "An act relating to the development of oil and gas 2 and coal; imposing duties and powers on the Department of 3 Environmental Resources; imposing notification requirements to protect landowners; and providing for definitions, for various requirements to regulate the drilling and operation of oil and gas wells, for gas storage reservoirs, for various 7 reporting requirements, including certain requirements 9 concerning the operation of coal mines, for well permits, for well registration, for distance requirements, for well casing 10 requirements, for safety device requirements, for storage 11 reservoir obligations, for well bonding requirements, for a 12 13 Well Plugging Restricted Revenue Account to enforce oil and gas well plugging requirements, for the creation of an Oil 14 15 and Gas Technical Advisory Board, for oil and gas well inspections, for enforcement and for penalties," in 16 preliminary provisions, further providing for definitions; 17 and, in general requirements, further providing for well 18 permits, for well location restrictions and for protection of 19 20 water supplies.
- 21 The General Assembly of the Commonwealth of Pennsylvania
- 22 hereby enacts as follows:
- 23 Section 1. Section 103 of the act of December 19, 1984
- 24 (P.L.1140, No.223), known as the Oil and Gas Act, is amended by
- 25 adding a definition to read:
- 26 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 "Unconventional well." A bore hole drilled or being drilled
- 6 for the purpose of or to be used for the production of oil or
- 7 gas from a geological formation existing below the base of the
- 8 Elk Sandstone or its geologic equivalent stratigraphic interval
- 9 where oil or gas generally cannot be produced at economic flow
- 10 rates or in economic volumes except by wells stimulated by
- 11 <u>hydraulic fracture treatments</u>, a horizontal well bore or by
- 12 <u>using multilateral well bores or other techniques to expose more</u>
- 13 of the formation of the well bore.
- 14 * * *
- 15 Section 2. Sections 201(b) and (d) and 205 of the act are
- 16 amended to read:
- 17 Section 201. Well permits.
- 18 * * *
- 19 (b) $\underline{(1)}$ The permit application shall be accompanied by a
- 20 plat prepared by a competent engineer or a competent
- 21 surveyor, on forms to be furnished by the department, showing
- 22 the political subdivision and county in which the tract of
- 23 land upon which the well to be drilled is located, the name
- of the surface landowner of record and lessor, the name of
- 25 all surface landowners or water purveyors whose water
- supplies are within 1,000 feet of the proposed well location
- or, in the case of an unconventional well, within 2,500 feet
- 28 of the proposed well location, the name of the owner of
- 29 record or operator of all known underlying workable coal
- 30 seams, if any, the acreage in the tract to be drilled, the

1	proposed location of the well determined by survey, the
2	courses and distances of such location from two or more
3	permanent identifiable points or landmarks on said tract
4	boundary corners, the proposed angle and direction of such
5	well, if the well is to be deviated substantially from a
6	vertical course, the number or other identification to be
7	given the well, the workable coal seams, if any, underlying
8	the tract of land upon which the well is to be drilled or
9	altered, which are to be cased off in accordance with section
10	207, and such information needed by the department to
11	administer this act.
12	(2) The applicant shall forward, by certified mail, a
13	copy of said plat to the <u>following:</u>
14	(i) the surface landowner[, all];
15	(ii) the coal owner if coal rights have been severed
16	from the surface regardless of whether the coal seam is
17	<pre>workable;</pre>
18	(iii) all surface landowners or water purveyors
19	whose water supplies are within 1,000 feet of the
20	proposed well location[, the] or, in the case of an
21	unconventional well, within 2,500 feet of the proposed
22	well location; and
23	(iv) the owner and lessee, if any, of [such] any
24	coal seams, and every coal operator required to be
25	identified on the well permit application [and] $\underline{.}$
26	Each applicant shall submit proof of such notification with
27	the well permit application.
28	(3) The municipality where the proposed unconventional
29	well is located and a municipality within 2,500 feet of the

30

proposed unconventional well location.

- 1 (4) With respect to surface owners, notification shall 2 be accomplished under this section by sending notice to the 3 persons to whom the tax notices for said surface property are sent, as indicated in the assessment books in the county in 4 5 which the property is located. With respect to surface 6 landowners or water purveyors whose water supplies are within 7 1,000 feet of the proposed well location or, in the case of 8 an unconventional well, within 2,500 feet of the proposed 9 well location, notification shall be made on forms and in a manner prescribed by the department sufficient to identify, 10 11 for such persons, the rights afforded them under section 208 12 and the advisability of taking their own predrilling or 13 prealteration survey.
- 14 If the applicant submits to the department written 15 approval of the proposed well location by the surface 16 landowner and the coal operator, lessee or owner, if any, of 17 the coal underlying the proposed well location and no objections are raised by the department within 15 days of 18 19 filing or if no such approval has been submitted and no 20 objections are made to such proposed well location within 15 21 days from receipt of such notice by the surface landowner and 22 the coal operator, lessee or owner, if any, or by the 23 department, the same shall be filed and become a permanent 24 record of such location, subject to inspection at any time by 25 any interested person.
- 26 * * *
- 27 (d) Every application for a well permit shall be accompanied
- 28 by a permit fee, established by regulation of the [department]
- 29 Environmental Quality Board, which bears a reasonable
- 30 relationship to the cost of administering this act: Provided,

- 1 however, That the permit fee shall be \$100 for two years
- 2 immediately following the effective date of this act.
- 3 * * *
- 4 Section 205. Well location restrictions.
- 5 (a) Wells may not be drilled within 200 feet or, in the case
- 6 of an unconventional well, within 500 feet, measured
- 7 horizontally from any existing building or existing water well
- 8 without the written consent of the owner thereof. Where the
- 9 distance restriction would deprive the owner of the oil and gas
- 10 rights of the right to produce or share in the oil or gas
- 11 underlying said surface tract, the well operator may be granted
- 12 a variance from said distance restriction upon submission of a
- 13 plan which shall identify the additional measures, facilities or
- 14 practices to be employed during well site construction, drilling
- 15 and operations. The variance, if granted, shall include such
- 16 additional terms and conditions as the department shall require
- 17 to insure the safety and protection of affected persons and
- 18 property. The provisions may include insurance, bonding and
- 19 indemnification, as well as technical requirements.
- 20 (b) (1) No well site may be prepared or well drilled within
- 21 100 feet or, in the case of an unconventional well, within
- 22 <u>250 feet</u>, measured horizontally from any stream, spring or
- 23 body of water as identified on the most current 7 1/2 minute
- topographic quadrangle map of the United States Geological
- 25 Survey or [within 100 feet of any] wetlands greater than one
- acre in size.
- 27 <u>(2)</u> The department may waive such distance restrictions
- upon submission of a plan which shall identify the additional
- 29 measures, facilities or practices to be employed during well
- 30 site construction, drilling and operations. Such waiver, if

- 1 granted, shall impose such permit conditions as are necessary
- 2 to protect the waters of the Commonwealth.
- 3 (3) The department may establish additional protective
- 4 <u>measures for the storage of wastewater resulting from</u>
- 5 <u>hydraulic fracturing operations and hazardous chemicals or</u>
- 6 <u>materials intended to be used on the well drilling site</u>
- 7 within 2,500 feet of any such stream, spring, body of water
- 8 or wetland.
- 9 (b.1) (1) No unconventional well may be drilled within
- 10 2,500 feet of a water well, lake, reservoir, impoundment,
- spring or the permitted intake of a stream that serves as a
- 12 <u>primary source of supply for a community water system as</u>
- defined in the act of May 1, 1984 (P.L.206, No.43), known as
- the Pennsylvania Safe Drinking Water Act.
- 15 (2) The Environmental Quality Board shall develop
- 16 <u>conditions under which the restriction in paragraph (1) may</u>
- 17 be waived.
- 18 (3) Nothing in this act shall be construed to permit the
- disclosure of location data on community drinking water wells
- and surface water intakes, related to public utilities,
- 21 including municipal or authority systems, to protect such
- 22 facilities against sabotage or criminal or terrorist acts or
- 23 to abrogate the provisions of the act of November 29, 2006
- 24 (P.L.1435, No.156), known as the Public Utility Confidential
- 25 Security Information Disclosure Protection Act.
- 26 (c) The department shall, on making a determination on a
- 27 well permit, consider the impact of the proposed well on public
- 28 resources to include, but not be limited to, the following:
- 29 (1) Publicly owned parks, forests, gamelands and
- 30 wildlife areas.

- 1 (2) National or State scenic rivers.
- 2 (3) National natural landmarks.
- 3 (4) Habitats of rare and endangered flora and fauna and other critical communities.
- 5 (5) Historical and archaeological sites listed on the 6 Federal or State list of historic places.
- 7 (6) Sources used for public drinking water supplies.
- 8 (7) Whether the proposed well location is within a
- 9 <u>floodplain.</u>
- Section 3. Section 208(a), (b), (c) and (d) of the act are
- 11 amended and the section is amended by adding subsections to
- 12 read:
- 13 Section 208. Protection of water supplies.
- 14 (a) (1) Any well operator who affects a public or private
- water supply by pollution or diminution shall restore or
- 16 replace the affected supply with an alternate source of water
- adequate in quantity or quality for the purposes served by
- 18 the supply.
- 19 (2) The department shall ensure that a restored or
- 20 replaced water supply meets applicable water quality
- 21 standards consistent with the Safe Drinking Water Act (Public
- 22 <u>Law 93-523, 21 U.S.C. § 349 and 42 U.S.C. §§ 201 and 300f et</u>
- 23 seq.), the act of May 1, 1984 (P.L.206, No.43), known as the
- 24 Pennsylvania Safe Drinking Water Act, and predrilling or
- 25 alteration water quantity standards as determined by the
- department. The Environmental Quality Board shall promulgate
- 27 regulations necessary to meet the requirements of this
- 28 <u>subsection</u>.
- 29 (b) (1) Any landowner or water purveyor suffering pollution
- or diminution of a water supply as a result of the drilling,

- 1 alteration or operation of an oil or gas well may so notify
- 2 the department and request that an investigation be
- 3 conducted.
- 4 (2) A well operator who receives notice from a
- 5 <u>landowner</u>, water purveyor or affected person that a water
- 6 supply has been affected by pollution or diminution shall
- 7 report receipt of the notice to the department as soon as
- 8 possible, but no later than ten calendar days after receiving
- 9 the notice.
- 10 (3) Within ten days of such notification, the department
- shall investigate any such claim and shall, within 45 days
- following notification, make a determination. If the
- department finds that the pollution or diminution was caused
- by the drilling, alteration or operation activities or if it
- presumes the well operator responsible for pollution pursuant
- to subsection (c), then it shall issue such orders to the
- 17 well operator as are necessary to assure compliance with
- 18 subsection (a). Such orders may include orders requiring the
- temporary replacement of a water supply where it is
- determined that the pollution or diminution may be of limited
- 21 duration.
- (c) Unless rebutted by [one of the five defenses] <u>a defense</u>
- 23 established in subsection (d), it shall be presumed that a well
- 24 operator is responsible for the pollution of a water supply that
- 25 is within 1,000 feet of the oil or gas well, where the pollution
- 26 occurred within six months after the completion of drilling or
- 27 alteration of such well.
- 28 (c.1) Unless rebutted by a defense established under
- 29 subsection (d), it shall be presumed that an unconventional well
- 30 operator is responsible for the pollution of a water supply that

- 1 <u>is within 2,500 feet of the unconventional well where the</u>
- 2 pollution occurred within 12 months after the completion of
- 3 drilling or alteration of the well.
- 4 (d) In order to rebut [the] <u>a</u> presumption of liability
- 5 established in subsection (c) or (c.1), the well operator must
- 6 affirmatively prove one of the following five defenses:
- 7 (1) The pollution existed prior to the drilling or
- 8 alteration activity as determined by a predrilling or
- 9 prealteration survey.
- 10 (2) The landowner or water purveyor refused to allow the
- operator access to conduct a predrilling or prealteration
- 12 survey.
- 13 (3) The water supply is not within 1,000 feet or, in the
- case of an unconventional well, within 2,500 feet of the
- well.
- 16 (4) The pollution occurred more than six months or, in
- the case of an unconventional well, the pollution occurred
- 18 more than 12 months after completion of drilling or
- 19 alteration activities.
- 20 (5) The pollution occurred as the result of some cause
- 21 other than the drilling or alteration activity.
- 22 * * *
- 23 (e.1) (1) At least 30 days prior to commencing a well
- drilling operation or alteration activity, an unconventional
- well operator shall survey, sample and analyze the quality
- and flow of water from any well, spring or other water source
- 27 <u>located within 2,500 feet of the proposed oil or gas well.</u>
- The water well, spring or other water source to be tested
- shall be a supply that is utilized by a landowner or water
- 30 purveyor for human consumption, domestic animals or other

- 1 general use.
- 2 (2) The unconventional well operator shall utilize a
- 3 <u>laboratory approved by the department to perform the water</u>
- 4 <u>supply analysis.</u>
- 5 <u>(3) The unconventional well operator shall, within five</u>
- 6 days of receipt of the test results, provide this information
- 7 <u>in writing to the landowner or water purveyor.</u>
- 8 (4) In the event the landowner or water purveyor rejects
- 9 the offer to have the water supply tested or denies access to
- 10 the landowner's or water purveyor's property for the test to
- 11 <u>be conducted, the unconventional well operator shall not be</u>
- 12 <u>required to meet the provisions of this subsection.</u>
- 13 (5) The performance or excused performance of a water
- supply test under this subsection shall in no way be
- construed to prohibit the unconventional well operator from
- 16 <u>commencing drilling operations, provided the appropriate</u>
- 17 permit approvals are obtained.
- 18 (e.2) (1) Upon the completion of drilling operations or
- 19 alteration activities and for a period of 12 months
- thereafter, an unconventional well operator, upon written
- 21 request of the landowner or water purveyor, shall conduct a
- follow-up survey and analysis of the quality and flow of
- 23 water from any well, spring or other water source initially
- tested by the well operator under subsection (e.1). An
- 25 unconventional well operator shall not be required to conduct
- such follow-up test more than once in a 12-month period. The
- 27 unconventional well operator's duty to conduct follow-up
- testing shall end 12 months after the completion of drilling
- 29 activities.
- 30 (2) The unconventional well operator shall provide

- 1 <u>written notice to the landowner or water purveyor of the</u>
- 2 <u>right to request follow-up tests.</u>
- 3 (3) The unconventional well operator shall obtain and
- 4 <u>analyze the water samples in accordance with methods</u>
- 5 established by the department. All follow-up tests shall be
- 6 conducted by a laboratory certified by the department to
- 7 perform the testing.
- 8 (4) The unconventional well operator shall, within five
- 9 <u>days of receipt of the test results, provide this information</u>
- in writing to the landowner or water purveyor.
- 11 (5) In the event the landowner or water purveyor rejects
- the offer to have a follow-up water supply test or denies
- access to the landowner's or water purveyor's property for
- 14 the test to be conducted, the unconventional well operator
- shall not be required to meet the provisions of this
- 16 subsection.
- 17 (6) The performance or excused performance of a follow-
- 18 up water supply test under this subsection shall in no way be
- 19 construed to prohibit the unconventional well operator from
- 20 proceeding with a drilling operation or alteration activity,
- 21 <u>provided the appropriate permit approvals are obtained.</u>
- 22 * * *
- 23 (q) This section shall also apply to pits, impoundments,
- 24 storage tanks or other measures used to store any wastewater
- 25 resulting from hydraulic fracturing operations of an
- 26 unconventional well located within 2,500 feet of any well,
- 27 spring or other water source. The department shall establish
- 28 methods and criteria for surveying water quality before and
- 29 after the use of pits or impoundments used to store any
- 30 wastewater resulting from hydraulic fracturing operations.

1 Section 4. This act shall take effect in 60 days.