

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 141 Session of 2017

INTRODUCED BY YAW, VOGEL, VULAKOVICH, WARD, BAKER, BREWSTER AND HUGHES, JANUARY 20, 2017

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, JANUARY 20, 2017

AN ACT

1 Amending Title 58 (Oil and Gas) of the Pennsylvania Consolidated
 2 Statutes, in development, providing for lease extended by
 3 production.

4 The General Assembly of the Commonwealth of Pennsylvania
 5 hereby enacts as follows:

6 Section 1. Title 58 of the Pennsylvania Consolidated
 7 Statutes is amended by adding a section to read:

8 § 3213.1. Lease extended by production.

9 (a) Prohibition.--Any portion of land subject to a lease
 10 that is combined with other lands or leases to form a unit shall
 11 be subject to operations and production on and in the unit. The
 12 operations and production shall continue a lease in force and
 13 effect during or after the primary term according to the lease
 14 provisions only as to that portion of the leased land that is
 15 included in the unit. Any land covered by a lease and not
 16 included in the unit shall not be subject to operations or
 17 production on or in the unit. The lease may be kept in force in
 18 any manner provided in the lease agreement for leased land not

1 included in an agreement.

2 (b) Applicability.--

3 (1) Subsection (a) shall apply to any unit formed after
4 the effective date of this section.

5 (2) This section shall only apply to lease interests in
6 an unconventional reservoir.

7 (c) Definitions.--As used in this section, the following
8 words and phrases shall have the meanings given to them in this
9 subsection unless the context clearly indicates otherwise:

10 "Unconventional reservoir." A formation below the base of
11 the Elk Sandstone or its geologic equivalent stratigraphic
12 interval that contains or produces oil or gas that generally
13 cannot be economically produced at flow rates or in volumes
14 except by hydraulic fracturing, horizontal or multilateral well
15 bores or other techniques to expose the reservoir to the well
16 bore.

17 "Unit." A consolidation of interests of persons actively
18 engaged in the business of extracting oil or gas from land owned
19 or leased by the persons within a defined geographic area to
20 facilitate the drilling of wells from one or more unconventional
21 reservoirs.

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