

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 694 Session of 2019

INTRODUCED BY YAW, K. WARD, YUDICHAK, FONTANA, MARTIN, REGAN AND BROWNE, MAY 31, 2019

AS AMENDED ON THIRD CONSIDERATION, SEPTEMBER 24, 2019

AN ACT

1 Amending Title 58 (Oil and Gas) of the Pennsylvania Consolidated
2 Statutes, in development, further providing for well permits.

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

5 Section 1. Section 3211 of Title 58 of the Pennsylvania
6 Consolidated Statutes is amended by adding a subsection to read:
7 § 3211. Well permits.

8 * * *

9 (n) Cross unit drilling.--

10 (1) If an operator has the right to drill an oil or gas
11 well on separate leases or units, the operator may drill and
12 produce a well that traverses, by horizontal drilling, more
13 than one lease or unit, if:

14 (i) ~~the~~ THE operator reasonably allocates production <--
15 from the well among the leases or units related to each <--
16 lessor's acreage in the unit; and TO OR AMONG EACH UNIT <--
17 THE OPERATOR REASONABLY DETERMINES TO BE ATTRIBUTABLE TO
18 EACH UNIT. THE OPERATOR MAY ALLOCATE PRODUCTION ON AN

1 ACREAGE BASIS FOR MULTIPLE UNITS PROVIDED THE ALLOCATION
2 HAS A REASONABLE CORRELATION TO THE HORIZONTAL WELLBORE
3 IN EACH UNIT.

4 (ii) ~~the~~ THE traversing well is not expressly <--
5 prohibited by the terms of a lease.

6 (2) THE 330-FOOT LOCATION REQUIREMENT IN SECTION 6 OF <--
7 THE ACT OF JULY 25, 1961 (P.L.825, NO.359), KNOWN AS THE OIL
8 AND GAS CONSERVATION LAW, SHALL NOT APPLY TO UNIT LINES
9 TRAVERSED BY A CONSERVATION WELL.

10 ~~(2) Nothing in this subsection shall be construed to~~ <--
11 ~~authorize an operator to drill an oil or gas well that is not~~
12 ~~subject to a valid lease or royalty agreement.~~

13 (3) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO: <--

14 (I) AUTHORIZE AN OPERATOR TO DRILL AN OIL OR GAS
15 WELL THAT IS NOT SUBJECT TO A VALID LEASE OR ROYALTY
16 AGREEMENT; AND

17 (II) AUTOMATICALLY EXPAND OR DIMINISH THE CURRENT
18 SURFACE RIGHTS OF AN OPERATOR TO INCLUDE OPERATIONS
19 RELATED TO ANY EXISTING UNIT OR ANY WELL DRILLED BETWEEN
20 EXISTING UNITS.

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