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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2461 Session of  
2022

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INTRODUCED BY OWLETT, CAUSER, PICKETT, RYAN, HENNESSEY, O'NEAL,  
ROTHMAN, BERNSTINE, SMITH, KAUFFMAN, OBERLANDER, JAMES,  
M. MACKENZIE, COX, HAMM, COOK, SAYLOR, STRUZZI, GROVE, MOUL  
AND HERSHEY, MARCH 25, 2022

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REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
MARCH 25, 2022

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AN ACT

1 Providing for the leasing of subsurface rights on State forest  
2 and park property for oil and natural gas development; and  
3 abrogating an executive order and other orders and  
4 administrative policies.

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

7 Section 1. Short title.

8 This act shall be known and may be cited as the Subsurface  
9 Oil and Gas Lease Act.

10 Section 2. Definitions.

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

14 "Company." An entity doing business within this Commonwealth  
15 and subject to tax under Article III, IV or VI of the act of  
16 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of  
17 1971.

1 "Department." The Department of Conservation and Natural  
2 Resources of the Commonwealth.

3 "Secretary." The Secretary of Conservation and Natural  
4 Resources of the Commonwealth.

5 Section 3. Subsurface drilling under Commonwealth lands.

6 (a) Program established.--The department shall establish a  
7 program to review submissions or nominations by companies for  
8 the leasing of subsurface rights under State forest and park  
9 property by companies for oil and gas development from  
10 subsurface drilling originating from well sites outside the  
11 State forest or park property.

12 (b) Lease approval.--The secretary shall have the authority  
13 to approve or disapprove any submission or nomination for a  
14 lease under this act. The department shall provide in writing to  
15 a company which has sent a submission or nomination to the  
16 department notice of the department's decision to grant or not  
17 grant a lease within 60 days of receipt from the company. If the  
18 department is disapproving the grant of a lease, the department  
19 shall list all reasons why the department has made the decision  
20 in the notification.

21 (c) Resubmission upon disapproval.--A company receiving  
22 notice of disapproval may resend a submission or nomination to  
23 the department with or without changes and may include a  
24 response addressing the department's reasons within 60 calendar  
25 days of receipt of the department's disapproval. The department  
26 shall provide in writing to a company which has sent a  
27 resubmission to the department notice of the department's  
28 decision to grant or not grant a lease within 60 days of receipt  
29 from the company. If the department is disapproving the grant of  
30 a lease, the department shall list all reasons why the

1 department has made the decision in the notification.

2 (d) Reasons for disapproval.--The department may disapprove  
3 a submission or nomination for the following reasons:

4 (1) The company has environmental compliance violations  
5 within this Commonwealth which have not been satisfactorily  
6 addressed and which have caused a significant negative  
7 environmental impact.

8 (2) Development of the tract would lead to the need for  
9 related infrastructure development elsewhere on State forest  
10 land which would, in the department's determination, lead to  
11 significant negative environmental impacts.

12 (e) Appeal.--A company receiving notice of a disapproval of  
13 a resubmission under subsection (c) may appeal the disapproval  
14 to Commonwealth Court. Commonwealth Court shall consider the  
15 factors in subsection (d) when considering an appeal.

16 (f) Implementation and posting.--Within 90 days of the  
17 effective date of this section, the department shall implement  
18 the program under subsection (a) and post information relating  
19 to the program and instructions regarding the manner in which  
20 submissions or nominations should be sent for review on its  
21 publicly accessible Internet website.

22 (g) Submissions and nominations.--Companies may begin  
23 sending submissions or nominations for review under this act to  
24 the department 90 days after the effective date of this section.

#### 25 Section 4. Funds.

26 All revenue generated from leases and royalties under this  
27 act shall be deposited into the Oil and Gas Lease Fund.

#### 28 Section 5. Construction.

29 Nothing in this act shall be construed to prohibit oil and  
30 gas drilling on State forest and park property in accordance

1 with the laws of this Commonwealth.

2 Section 6. Abrogation of executive order and other orders and  
3 administrative policies.

4 This act shall abrogate Executive Order 2015-03 and any other  
5 order or administrative policy in conflict with this act.

6 Section 7. Effective date.

7 This act shall take effect immediately.